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Introduction

1. With the appointment of a new Administrator on 1 July 1999, UNDP embarked on a major programme of reform and renewal. This new direction represents a rapid internal evolution for the organization and is a decisive response to the far-reaching changes taking place in the development arena. The annual report focuses on the launching of this effort and reports on progress made with respect to key initiatives up to 1 April 2000.

2. Globalization, the information technology revolution and the emergence of new actors, new norms and new markets are creating new challenges. While these changes are buffeting all actors, large and small, access to new opportunities and protection from new risks remain unequal. Countries, particularly in the developing world, must reposition themselves in response to these changes or they will soon find themselves marginalized. Citizens, particularly the poor, will be empowered, or left out. As the forces of globalization bring the world closer together, they place increasing pressure on individual governments to be players in the international arena.

3. These transformations signal a new era in which development agencies must respond more rapidly and imaginatively than ever before. They must do so in the context of shrinking official development assistance and expanding private capital flows. Against this background, UNDP, along with other development agencies, is faced with a crucial double task. It must reaffirm the particular contribution it can make by demonstrating the relevance of its mission and its value as a partner. It must also ensure that it is making an impact on development, through measuring and demonstrating results.

4. This structure of the report reflects the major pillars that support the commitment of UNDP to reform and renewal.

The vision

5. This focuses on the process of consultation undertaken to form and articulate a new vision for the organization. This vision was presented to the Executive Board at its first regular session 2000 in the form of the Administrator's Business Plans.

Key elements of the Business Plan and their implementation

6. A first report is provided on progress made in the implementation of the Business Plan. This section reports on the key components underlying the Business Plan:

- Policy and focus
- Profile
- Partnerships
- People
- Performance

7. Another critical component, resources, is dealt with in the final section of the report.

Programme results

8. The Executive Board adopted the first multi-year funding framework (MYFF) in 1999. The MYFF includes a commitment to reporting on results. The first results-oriented annual report (ROAR) is submitted to the Board at its current session (DP/2000/23/Add.1); it provides a summary of the findings of UNDP with respect to programme results in 1999.

UNDP-administered funds

9. This section reports on the progress and activities of the UNDP-administered funds: United Nations Volunteers (UNV), United Nations Capital Development Fund (UNCDF), and UNIFEM.

Resources

10. The final section of the report analyses the current financial situation of UNDP. It provides an overview of income and expenditure data for 1999.

I. The vision

11. UNDP represents a partnership between donor and programme countries to tackle the world's most pressing problems: poverty, lack of human development, and the exclusion of billions of people from the opportunities being generated by globalization. As globalization brings the world closer together, it increases the need for programme countries to have stronger capacity, good governance, and effective policies and institutions.

12. The assets of UNDP position it to play a unique role in this venture. It is engaged in critical areas of the global development agenda and at the same time has intimate knowledge of the practical problems that people and authorities in programme countries face on a day-to-day basis. As part of the United Nations, and thanks to its multicultural and multidisciplinary nature, UNDP has an impartial perspective that is unmatched by any other development organization.

13. The most precious asset of UNDP is the trusted relationship it enjoys with programme country governments. At a time when programme countries are struggling to adjust to the forces of globalization and the emergence of new centres of power in civil society, UNDP is well placed to listen and respond to the need for policy advice, to promote the effective use of aid within and beyond the United Nations system, and to help to build local and national capacity, including in politically sensitive areas such as elections, legal reform, land ownership and conflict prevention.

14. UNDP can draw upon 40 years of its own experience in over 130 countries and the experience of its partners in the United Nations, the governmental and private sectors and civil society. UNDP is a conduit of best practices and expertise between one part of the developing world and another. It can help to mobilize financial and human resources and catalyze projects, which in their design, implementation and impact have profound policy significance. UNDP can identify opportunities to spread the benefits of globalization by building coalitions around human development goals, coalitions based upon the respective strengths of the partners involved.

15. The success of UNDP depends on its ability to leverage its assets through partnerships and on its having the means and agility to seize opportunities that will allow it to make a pivotal contribution to improving life for the world's least privileged people.

16. Since his arrival in July 1999, the Administrator has taken every opportunity to consult widely on the charting of the future course of UNDP. The vision presented by the Administrator in the Business Plans is the result of this consultation process.

Four key components of the consultation process

The Transition Team

17. The Transition Team was initially established to review progress on the UNDP change management process, launched in 1997 and known as UNDP 2001. Its mandate was soon expanded, however, to include the generation of recommendations for the future direction of the organization.

18. The Team's report was the result of extensive consultation with UNDP staff in the field and at headquarters, with experts and officials working for programme country governments and donors, and with various UNDP partners. Its main conclusion was that UNDP needs to place increased emphasis on upstream activities. The UNDP presence in 136 programme countries and its long-standing and continuous relationship with governments and civil society in those countries position it to deliver advice in ways that other development organizations cannot. The Team concluded that UNDP can maximize its impact by specializing in policy advice, institution-building and advocacy. To do so, the Team recommended that more staff and effort be shifted to the field to enable UNDP to respond more quickly and effectively to the rapidly evolving needs of programme countries. The Transition Team's report was made available in November 1999 and its recommendations were used as the basis for consultations leading to the Business Plans submitted to the Executive Board at its first regular session 2000.

The multi-year funding framework

19. The multi-year funding framework was designed to provide a more predictable core-funding framework for the organization, integrating programme objectives, resources, budget and outcomes. The first MYFF covers the period 2000-2003 and represents part of the drive towards results-based management, with increased emphasis on strategic orientation and creating a culture of performance. Progress towards the goals articulated in the MYFF is to be measured by the ROAR and other instruments.

20. The MYFF began with a field-driven assessment designed to provide a clear picture of where UNDP is currently engaged and to see how this squares with the priorities and needs of programme countries. One of the chief findings of this exercise was that there is growing demand among programme countries for policy and institutional support, that these countries are increasingly looking to UNDP to play a role as an advisor and a supporter of institution-building, particularly in the face of new challenges presented by globalization. The MYFF showed that demand is increasing for governance-related activities and revealed key types of support that UNDP is being asked to provide across thematic areas. The Executive Board endorsed the MYFF in its decision 99/23.

The Business Plans

21. The Business Plans presented to the Executive Board at its first regular session 2000 provide a set of concrete and measurable steps designed to drive reform and renewal deep into the organization. They were deeply influenced by the findings of over 150 strategic results frameworks (SRFs) conducted at the country level, the report of the Transition Team and the MYFF, and were the result of a highly consultative process.

22. These plans form a blueprint for the transformation of UNDP and its efforts to re-energize, reprofile and re-engineer itself. Implementation steps already undertaken include comprehensive functional and financial analyses of how to reduce headquarters staff; the strengthening of the Office of Human Resources; the establishment of the Bureau of Resources and Strategic Partnerships; the transformation of the Bureau of Development Policy; and the merging of two previously separate bureaux into the new Bureau of Management.

The global resident representatives meeting

23. The global resident representatives meeting held in February/March 2000 brought together more than 130 resident representatives to discuss the UNDP reform and renewal programme and to address the practical details and operational problems needed to realize the organization's new vision. The meeting was opened by the Secretary-General, who stressed the critical role of UNDP and the importance of its reform efforts for the entire United Nations system.

Box 1
From the Secretary-General's Speech to the Resident Representatives

"You have shown that you yourselves can be powerful agents of change. Thanks to you, we can now truly say that the United Nations family acts with a more coherent effort than ever before. That is something you can all be proud of.

Why has UNDP been given this leading role? Because, of all the funds and programmes, it is the one most inseparable from the Secretariat and its core functions. Our work in development is central to the very idea of the United Nations. If the United Nations were not working for development, and doing so on the ground, in real and visible operations, its relevance and purpose would be hard to explain to most of the world's peoples."

24. There was considerable dialogue on what the UNDP governance practice should consist of, and on the development of concrete product lines and services. Heavy emphasis was also placed on human resources and on knowledge management, including presentations on their role in supporting the policy and advisory function of UNDP.

25. The Under Secretary-General for the Department of Political Affairs (DPA chaired a panel on the relationship between DPA and UNDP. Participants also had the opportunity to engage with the Executive Committee of the United Nations Development Group - composed of the Executive Directors of UNFPA and UNICEF, the Programme Director of the World Food Programme and the United Nations High Commissioner for Human Rights - and the Deputy Secretary-General. The Minister of Development Cooperation of the Netherlands also addressed the resident representatives. The meeting closed with the issuing of the Glen Cove Manifesto, a series of action points addressing ways to lessen UNDP bureaucracy and to make the organization more field-based, more focused and more results-oriented.

Box 2
The Glen Cove Manifesto

We as leaders of UNDP will:

1. **Work to change the world:** UNDP exists to make a pivotal contribution to halve world poverty by 2015. Globalization provides opportunities to make this a reality.

   This requires a re-launch; today's UNDP products and services will not enable it to work as a catalyst for institutional and policy change – growth with equity.

2. **Fundamentally transform ourselves:** Change the way we work with our partners and empower our colleagues.

3. **Focus on products and services with the greatest impact:** Leverage the UNDP country presence and global character into high-impact advice and advocacy for change.

4. **Develop new services:** policy advice, capacity-building, advocacy, partnership and resource mobilization.

   - To help developing countries to integrate into the global economy;
   - To support equitable national policy processes, including in crisis countries;
   - To deliver expertise in areas where we are world leaders.

5. **Mobilize and coordinate expertise through partnerships:** United Nations, private sector, IFIs, bilaterals, NGOs and individual experts in all fields who want to help to mobilize both financial and human resources.

6. **Make the Resident Coordinator role the linchpin of the United Nations system:** Through a vision of United Nations support to country-owned development:

   - Build UNDG members' commitment;
   - Move towards common development strategies and programming;
   - Encourage staff exchanges at all career levels;
   - Strengthen the Deputy Resident Representative function.

7. **Build and share our knowledge:** Knowledge is potentially the most powerful development tool on the planet.

   We will use information technology and human networking to build global knowledge and best practice.

8. **Develop and nurture the best people and teamwork:** At the country level through the resident coordinator system, and throughout UNDP.

9. **Commit ourselves today to empower our colleagues in the country offices to become advocates for national development change by:**

   - Restructuring our offices behind the vision;
   - Putting in place appropriate personnel, accountability and communication processes.

To achieve this manifesto we will build systems and structures that:

- Devote all our time and resources to service the field;
- Support a performance culture;
- Work as a matrix, networking our skills and knowledge;

Empower people and free them from bureaucracy.

Ref: IFIs = International financial institutions

Key elements of the Business Plan and their implementation

Policy and focus

26. The MYFF shows that the greatest demand for UNDP services is as an adviser and advocate, indicating that the organization can only maximize its impact by moving upstream. Policy is being realigned to make UNDP a stronger global advocate for human development, to align capacity with demand, and to make the organization more highly networked and field-based. To remain a trusted partner of programme countries in the development of appropriate policies and institutions, UNDP is gearing itself to provide services in response to demand, to assist programme countries in the crafting of pro-poor policies, and to help build the institutional capacity to sustain and implement them, including in crisis and post-conflict situations.

27. UNDP is building on its advocacy work through the Human Development Report and other publications. These reports will continue to undertake innovative policy research to ensure that UNDP stays abreast of new development trends, and steps are being taken to consolidate the advocacy work that in the past has often been performed by several, disparate units. With regard to UNDP applied development policy work, the organization's shifting emphasis toward upstream activities demands a stronger presence on the ground, which will be achieved through enhanced knowledge networking and the decentralization of programme staff and resources from headquarters to the field.

Box 3
Human Development Report

The Human Development Report 1999 (HDR99) was launched in July 1999, on the topic of globalization with a human face, with publication in 14 languages. From Albania to Zambia, HDR99 sparked dialogue, provided tools for advocacy and offered policy strategies for capturing the opportunities of this era of globalization while translating them more equitably into human advance. In Ireland, one day following the launch, the Government pledged new resources and a campaign to combat illiteracy. In Brazil, a special commission on poverty was created in late 1999, drawing heavily on the findings of HDR99 on income inequalities in the country.

Building on the success of the UNDP flagship report, UNDP is pursuing a strategy to strengthen the impact and influence of the human development movement on policy-making and to establish human development firmly as a "school of thought". One initiative in this strategy was the First Global Forum on Human Development, held in July 1999 to provide an open forum for debate on and exploration of future avenues of human development research. An audience of over 600 policy-makers, researchers, activists and members of 25 national human development report teams filled the sessions and shared their experiences in the field of human development at all levels.

A second initiative, to harness new information technologies to make human development facts and figures more widely accessible, was the production of the *HDR CD-ROM: Ten Years of Human Development Reports*. With the full text of all ten HDRs and the latest internationally comparable data for over 280 indicators, the CD is a tool for the novice and the serious researcher alike.

Finally, the new Journal of Human Development, a bi-annual academic journal, will publish original works that analyze the concept, measurement and practice of human development. It aims to stimulate further research and development of concepts and measurement tools. The first issue was available 1 May 2000.

Box 4
National human development reports

By 1999, more than 100 countries had issued national human development reports and there is strong evidence that these reports are generating national dialogues on policy frameworks for human development. NHDRs have been identified as a major pillar in UNDP work and several initiatives are now under way to strengthen their effectiveness.

A global web-based NHDR network group has been created with the objective of exchanging ideas, offering best practices and identifying resource persons. It is comprised of NHDR team members from UNDP, NGOs, think tanks, universities, government departments and other organizations.

A three-week training course on human development theory and practice is being planned jointly with Oxford University. Priority is being given to participation by NHDR team members. The first course will take place in September 2000 at Oxford University.

The Second Global Forum on Human Development, being held in the summer of 2000, and the new Journal of Human Development both provide opportunities for NHDR contributors to build their capacity and exchange ideas with others working on NHDRs.

Efforts are under way to make the NHDRs even more effective, specifically by improving the quality, visibility, coherence, and substantive rigor of all NHDRs through a new NHDR Support Unit.

28. UNDP policy capacity is being reconfigured to make it more responsive to country office needs, to strengthen it in the thematic areas where demand is greatest, and to ensure that knowledge is accessible to the partners and clients who need it. UNDP is strengthening its partnerships in areas where policy capacity is lacking or can be better provided by other actors and is currently reviewing ways to enhance its collaboration with other organizations to maximize its impact in crisis and humanitarian response. This refined focus will enable UNDP to play a leadership role in promoting and supporting the broad-based consensus on global development goals that was forged during the major United Nations-sponsored conferences in the 1990s.

Development of service lines

29. UNDP is working to develop further and refine service lines that correspond to its clients' needs and its own comparative advantages in meeting them. These include (a) policy analysis; (b) policy advice, dialogue and advocacy; (c) policy formulation; (d) policy implementation; (e) development coordination and cooperation, and (f) monitoring. For countries in special development situations, immediate service lines will focus first on operational activities and then on more policy-led approaches. Although the principal actions will be taken at the country level, UNDP will also use its regional and global programmes to support and complement these interventions strategically.

Moving more people to the field

30. The shifting emphasis of UNDP towards upstream activities demands a stronger presence on the ground. To share information on best practices effectively and to provide policy support, UNDP staff must be where its clients are and the bulk of services must be provided from within the programme countries themselves. Towards this end, key personnel and functions are already being relocated to the field and headquarters staff will be reduced by 26 per cent by the end of 2001.

Reorganization and refocusing of the Bureau of Development Policy

31. To support the move towards decentralization, the Bureau of Development Policy (BDP) is transforming itself to provide a much greater level of practical support to the field. Plans are under way to move approximately 40 per cent of BDP posts to field locations so that BDP policy staff can provide better policy support to clusters of country offices.

Box 5
The SURF system

The UNDP subregional resource facilities (SURF) system was initiated as part of the decentralization process in UNDP. The system provides four services to country offices: expert referrals and access to technical and programme-related information; technical support for programme identification, design, formulation and review; networking and information-sharing between staff and development partners; and identification, documentation and dissemination of best practices in UNDP focus areas.

The system presently includes nine subregional offices, a global hub in the Bureau for Development Policy at headquarters, regional networks established by SURFs, and six global "knowledge networks" in poverty and social development; environment; governance; information technology for development; microfinance; and national human development networks.

Although the SURF system has been in operation little more than a year, it is already evolving into a highly cost-effective instrument for the transformation of UNDP. Country offices serviced by SURF units have been able to obtain timely, high-quality technical support, and the system's thematic networks are becoming active forums for information-sharing and responding to queries. In its second six-month period of activity (July – December 1999), the SURF system fielded 584 referrals from country offices, carried out 105 missions and other country office backstopping assignments, signed up 846 new network subscribers, and organized best practices workshops or similar events for 171 staff participants. All of these figures are well over target and feedback from staff receiving services has been high, with an overall rating of 1.9 on a 5-point scale (with 1.0 being the highest score).

Matrix management

32. The introduction of matrix management is an integral part of the refocusing of functional units at headquarters. With regard to policy, the matrix will be applied to encourage a more knowledge-based approach, with stronger networking and greater support from the policy experts in BDP to the operations people working in the bureaux and country offices. Under the matrix, the organizational model for the new UNDP will be based on dispersed capabilities and decentralized networks; bureaux will complement each other's work, thus maximizing the use of existing knowledge and resources. Accountability will be clarified and knowledge-sharing will increase, leading to faster and more efficient decision-making and fostering enhanced collaboration across bureaux and country offices.

Networking

33. A new culture of networking is being established, penetrating to every level of the organization, to provide for more active sharing of best practices among country offices. By the end of 2001, all country offices will have high-quality, information-rich web sites and will be connected through a powerful web-based data network. This will provide the platform for strong networking between headquarters and offices in the field, and horizontally among the country offices themselves and their partners.

Crisis, post-conflict and recovery situations

34. As a step towards defining the UNDP niche in aid coordination and special development situations, a report was submitted to the Executive Board in April 2000. The report (DP/2000/18) identifies a number of areas in which UNDP has considerable experience, including area-based reintegration programmes, policy and institutional development, natural disaster-relief training and coordination, and mine action. To develop these capacities even further, the paper recommends that UNDP focus on the following key areas.

35. **Strengthening its support to the resident humanitarian coordinator system**. This system must be accepted as a shared responsibility among all United Nations agencies and is critical to the formulation of a comprehensive approach that integrates prevention, peace-building, relief, rehabilitation and recovery initiatives. UNDP will emphasize the following points in particular: early joint planning and prioritization, demand-driven rather than agency-driven assessments of needs and local capacities, the importance of a clearly defined division of labour through inter-agency collaboration, and the need for more flexible financing systems for transitional programming.

36. **Expanding partnerships with key organizations and agencies.** Partnerships are extremely important in crisis, post-conflict and recovery situations because the outcomes required in these situations are time-bound, multiple and often enormous in scale, requiring action on many fronts simultaneously at a time when thousands of lives may be in danger. UNDP will seek a broad network of strategic partnerships at all levels and will facilitate joint work that draws on respective strengths while pursuing longer-term collaboration in areas such as macro-economic stabilization.

37. **Improving preventive activities**. UNDP will work in close coordination with local and national authorities to take steps to promote social and institutional advances to help to keep pre-existing tensions from developing into violent conflict. Preventive activities will also be undertaken to mitigate the precarious conditions that leave the poor particularly vulnerable in natural disasters.

38. **Consolidating activities in post-conflict and post-disaster under sustainable recovery programmes**. As part of a wider recovery framework and where requested by programme countries, UNDP work may include the following components (to be financed primarily by extrabudgetary resources): reintegration of war and disaster-affected populations; infrastructure rehabilitation; natural disasters; mine action capacity-building; rule of law; and public sector capacity-building.

39. **Strengthening its own response capacities**. To deliver these vital services, UNDP must improve the speed of its response, ensure that the resources put into place are the right ones, and make substantial investments in its people, including intensified training, entry-level recruitment programmes and career counseling for work in special development situations.

40. The Executive Board will revert to this issue at its first regular session 2001, at which time the Administrator will elaborate further on the proposals made in the initial report.

Profile

41. Major efforts are under way to revamp UNDP ability to communicate its purpose and activities, support resource mobilization, and overhaul its image and its ability to bring decision-makers in closer contact with the field. To develop a communications strategy that advances the organization's shifting priorities, UNDP recently commissioned an evaluation of its communication capacities that will be used to help raise the UNDP profile and increase resources. The Communications Group has also been created, consisting of senior managers who meet regularly to serve as a sounding board and to contribute ideas for the shaping and branding of the new UNDP.

42. Although the new UNDP communications strategy will not be rolled out until mid-2000, the organization's communications team has already taken steps to increase public awareness of UNDP and its activities and to create a stronger communications culture within the organization.

Media outreach

43. UNDP has pursued a two-pronged approach in its media outreach strategy over the last year. First, news stories have been generated around the arrival of the new Administrator. UNDP also places opinion pieces and commentaries by the Administrator on such topics as Internet connectivity and the AIDS epidemic in newspapers around the world. The second principal media outreach strategy has been to promote breaking developments in UNDP programme activities to create headlines that will capture media attention. This approach has included the launch of Newsfront, an on-line publication with daily articles about UNDP and its programmes.

Strengthening communications efforts away from headquarters

44. UNDP has refined its communications strategy to target more effectively the donor country media that influence policy and decision-makers. At the same time, to support the organization's shifting emphasis towards the field, UNDP has expanded its support to communications efforts at the country level through special public affairs training for resident representatives and senior managers and the preparation and dissemination of a public affairs manual for media and advocacy outreach.

45. UNDP is stepping up its promotional efforts for specialized publications, such as the Poverty Report and the book *Global Public Goods*, and for its flagship monthly magazine *Choices*, which features specialized issues on peace-building, information technology, governance, and other themes at the heart of UNDP development work.

Box 6
Global Public Goods

Global Public Goods was produced by the UNDP Office of Development Studies (ODS) to examine the impact of globalization on the poor. The study - which includes contributions by Amartya Sen, Jeffrey Sachs, Ismail Serageldin, Habib Sy, Joseph Stiglitz and other notable economists - builds on some 15 case studies to offer recommendations for realigning the current system of development cooperation to make globalization work better for the poor by improving the provision of key "global public goods" such as equity, peace and security, global public health, international financial stability, environmental sustainability, and knowledge management. These recommendations include ways to improve the fairness and openness of global agenda setting, strengthening the incentives for international cooperation on common policy challenges, and adapting the existing system of development cooperation to this new era of interdependence.

Since its publication, the study has been the focus of lively discussion and debate in policy-making circles in both the North and South. Country offices in all regions have organized seminars to present and discuss the book, and the concept of global public goods has since entered the policy dialogue in the General Assembly, at the World Bank and among bilateral donor agencies. ODS is now undertaking a major follow-up study, entitled *Providing Global Public Goods: Making Globalization Work for All*, to be published in summer 2001.

Special events

46. UNDP generated an unprecedented amount of media attention for the cause of poverty eradication with the launch of netaid.org in the autumn of 1999, with three simultaneous concerts in New York, London and Geneva broadcast live over the new web site, on radio and on television, including the youth-oriented cable networks MTV and VH1. Other special events included the media attention generated by the special trips of UNDP Goodwill Ambassadors, who included actors Misako Konno and Danny Glover and international football star Ronaldo.

Partnerships

47. An active commitment to partnering is one of the cornerstones of the Administrator's reform programme. A focus on results brings with it a commitment to strengthening partnerships. The present section of the report reviews the progress being made in a number of important areas :

- Support to the Secretary-General's reform agenda;
- Partnerships within the United Nations operational system;
- Partnerships with the Bretton Woods institutions;
- Partnerships with civil society;
- Partnerships with the private sector;
- Promoting aid coordination

48. The new Bureau for Resources and Strategic Partnerships brings together responsibilities for relations with the Executive Board, donor outreach, resource mobilization, and the strengthening of partnerships within the United Nations system, with the Bretton Woods institutions, and with civil society and the private sector.

Support to the Secretary-General's reform agenda

49. The United Nations Development Group, chaired by the Administrator of UNDP, is a key component of the United Nations reform efforts in general and efforts to increase the effectiveness and impact of development operations in particular. UNDP plays a critical role as both funder and manager of the resident coordinator system and has made a strong commitment to strengthening this system even further.

50. During the course of 1999, significant progress was made in building on the main planks of the Secretary-General's reform agenda, including:

- Continued implementation of competency assessment for resident coordinators;
- Expansion of common country assessments and United Nations Development Assistance Frameworks; and
- Development of United Nations houses.

51. An important new outcome achievement in 1999 was more effective outreach to the rest of the United Nations system as a whole. Bridges have been built through the Administrative Committee on Coordination (ACC) and its subsidiary machinery, especially the Consultative Committee on Programme and Operational Questions (CCPOQ). In that context, CCPOQ in 1999 approved, on behalf of ACC, the ACC guidance note on the common country assessment and the United Nations Development Assistance Framework (CCA/UNDAF), which converted those UNDG tools into tools for the entire United Nations System.

52. In 1999, CCPOQ/ACC also approved guidelines on the functioning of the resident coordinator system, intended to provide the organizations of the United Nations system and members of ACC with an agreed set of principles to guide the functioning of the resident coordinator system. These guidelines recognize the pivotal role

played by UNDG and its Executive Committee in strengthening the resident cooordinator system by promoting a more united United Nations presence at the country level.

Partnership with the specialized agencies

53. The vision of an upstream organization articulated in the Business Plans has important implications for UNDP relationships with all of its development partners throughout the United Nations system. UNDP has initiated consultations with its United Nations partners to explore the new opportunities that are being created as a result of the repositioning of UNDP itself.

54. In the early 1990s, a group of consultants reviewed the functioning of the United Nations operational system. They came to the conclusion that the specialized agencies should focus on reverting to their roles as centres of excellence with respect to their technical cooperation activities supported by UNDP and that the business of managing and delivering that technical cooperation should be left largely in the hands of national authorities. The study envisaged a large increase in national execution and a decrease in the delivery of technical cooperation activities by UNDP executing agencies. This has come to pass to a significant extent, with the result that the relationship of UNDP with the specialized agencies has seen a significant weakening over the last decade.

55. The Administrator's vision of an upstream UNDP focusing on policy advice and institutional support presents the possibility of reinventing and re-energizing the relationship between UNDP and the agencies. As UNDP moves away from the management of isolated projects and moves upstream, it is increasingly imperative that it have access to the best expertise to make that knowledge available in response to country demand. This suggests that UNDP will be turning more and more to the expertise and experience available in many of these agencies. UNDP sees the possibility of a new, reinvigorated relationship. Discussions have already begun to explore how these opportunities can be pursued.

56. Within the framework of the Partnership Working Group and the Inter-Agency Consultative meetings, progress has also been made in reaching agreement in a number of specific areas. The new guidelines for operational support services by UNDP at the country level provide for a new harmonized approach towards reimbursement for operational support services. Dialogue between UNDP and United Nations specialized agencies will be strengthened in 2000 in areas such as the development of netaid.org, the strategic use of resources earmarked for technical support and the further development of the SURFs.

Cooperation with the Bretton Woods institutions

57. In recent years, the Economic and Social Council and the General Assembly have encouraged the United Nations and the Bretton Woods institutions to work together more closely in support of national development priorities. The Secretary-General has also stressed in his reform initiatives the importance of strengthening this partnership.

58. Recent developments have made the need for cooperation more evident than ever. For several decades, the World Bank and UNDP had clear and distinct roles and mandates, In the 1970s, for example, UNDP focused on pre-investment and feasibility studies and often financed Bank technical cooperation activities that would lead to substantial physical investments. The Bank, for its part, provided loans for large physical infrastructure projects. The roles of the two institutions were distinct and complementary.

59. Today the situation is very different. The World Bank has also undergone a significant evolution and today sees itself as a development partner. It is committed to poverty reduction, lends extensively in the social sectors and engages extensively in technical cooperation activities. Today there is no natural division of labour between the two organizations. Moreover, the articulation of internationally recognized goals during the course of the

global conferences convened by the United Nations during the last decade has led to a strong sense of convergence as to overall goals and objectives.

60. Against this background, it has become of critical importance to reinvent the relationship between UNDP and the World Bank. Convergence can be viewed as threatening or it can be welcomed as providing important new opportunities. The way forward is to identify and ensure the success of the new opportunities presented.

61. Over the last 18 months, the World Bank has launched a number of initiatives of particular significance to the overall thrust of development cooperation activities. Already in 1998, the Bank promoted the concept of the Comprehensive Development Framework (CDF). This was to be a nationally owned process of articulating in a comprehensive manner the financial, social, economic, physical and other development challenges faced by the government. From the beginning, UNDP expressed a willingness to support governments who wished to participate in the pilots launched by the Bank. UNDP sees this as an opportunity to build synergies with work initiated regarding the development of common country assessments and United Nations Development Assistance Frameworks. In particular, UNDP saw a role in supporting and strengthening governments' capacities to own and manage such a process. UNDP has participated with the Bank and with governments in a variety of workshops and exercises designed to learn and gain experience. In early 1999, the then Administrator issued instructions to all resident coordinators, encouraging them to participate fully with government-led CDF processes.

62. More recently the World Bank and the International Monetary Fund have adopted poverty-reduction strategy papers (PRSPs). PRSPs are also envisaged as government-led processes leading to the articulation through a participatory approach of comprehensive national strategies to reduce poverty. Many governments have requested UNDP assistance in preparing these strategies and UNDP has played an active role in providing support. This reflects the extensive work UNDP has done supporting poverty strategies, the $19 million Poverty Strategies Initiative being just one example. This has also led to extensive dialogue between the Bank, the IMF, and UNDP on how to provide the best possible support to governments requesting assistance.

63. Against this background, two meetings between the President of the World Bank and the Administrator took place in early 2000 to reach agreement on the key elements of a strengthened partnership. The two agencies will intensify their efforts to collaborate in support of government requests for assistance in the areas of governance, poverty reduction and information technology.

64. A new feature of the emerging development landscape is direct IMF involvement in poverty-reduction strategies. UNDP has intensified its dialogue with the IMF and is strengthening its long-standing partnership with the IMF following a series of consultations between the Associate Administrator and the IMF Deputy Managing Director.

65. UNDP continues to have important and productive relationships with the regional development banks. UNDP plans to intensify these relationships during the course of 2000 and 2001. Converging development goals and priorities provide important new opportunities for partnership.

Cooperation with civil society organizations

66. The last five years have seen an unparalleled resurgence of civil society actors, including sophisticated policy non-governmental organizations (NGOs) and powerful peoples' movements, whose voice and influence have grown tremendously. UNDP has an important stake in this dialogue and can play a number of different functions. By virtue of its mandate and policy/advocacy work within the human development paradigm, UNDP continues to be the preferred multilateral partner of a wide range of civil society organizations (CSOs), most particularly policy CSOs. It is, in fact, extremely important for CSOs to see a strong UNDP that provides the space for the crucial alternative perspective on a range of issues, including debt, poverty reduction, trade, human rights, and conflict prevention.

67. Over the past year, UNDP has realigned its corporate strategy to position itself to partner more effectively with CSOs in these substantive areas. Building from past procedural initiatives such as the information disclosure policy, the CSO policy statement and procedures for NGO execution, a new, more constructive dialogue has been launched around substantive policy-oriented themes between UNDP and CSOs.

68. Early in his tenure (1 October 1999), the Administrator met with 12 civil society leaders to discuss the proposed orientation of the report of the Transition Team and its preliminary findings. This early recognition of the critical role of CSOs has led to some productive outcomes, most notably the Administrator's call for a third global workshop on governance, to complement the preceding two in Stockholm and New York, between CSOs and UNDP.

69. The workshop, entitled 'Governance for Human Development: UNDP and Civil Society' (San Salvador, 8-10 December 1999), was a watershed in shaping both the context and content of UNDP engagement with civil society, and assisted in charting the UNDP partnership around a range of substantive issues. During the discussions, four areas of focus were identified under the governance rubric: (a) human rights; (b) social capital; (c) conflict prevention, resolution, and peace-building; and (d) democratizing globalization, trade and finance. The Administrator announced several fronts on which UNDP was willing to move immediately, including, among others: the formal establishment of the UNDP/CSO Committee, which will directly advise the Administrator; setting up a real, effective information disclosure policy with mechanisms for tracking implementation; forging partnerships around jointly identified emerging issues in areas of relatively new engagement for UNDP, such as globalization, trade and debt, and human rights; and documenting instructive practices for UNDP engagement with civil society.

70. Progress has been made in all of these areas. Following two years of consultation, the inaugural meeting of the CSO Committee will take place in May 2000. The primary functions of the CSO Committee are to: provide strategic guidance to UNDP senior management; support information and advocacy efforts; and pilot relevant CSO/UNDP activities. One of the first agenda items will be effective management of the information disclosure policy. CSOs have taken a direct interest in netaid.org, and 3,000 have registered with the new web initiative since its launch in September 1999.

71. In regard to forging partnerships around jointly identified emerging issues in areas of relatively new engagement, UNDP recently concluded a two-day workshop (New York, 2-3 February) that focused on debt, poverty reduction, and the role of CSOs. The deliberations provided an opportunity for UNDP staff from both headquarters and various country offices to engage a broad sample of civil society from both North and South, to reflect on the newly emerging context for debt relief and poverty reduction. These deliberations led to the establishment of a framework for UNDP support to civil society's engagement with the enhanced Debt Initiative for Heavily Indebted Poor Countries (HIPC) and will be the basis for establishing a partnership agenda for action between UNDP and civil society that will include a series of initiatives to be pursued jointly over the medium term. A joint working group constituting members from UNDP and civil society was formed to take the framework and proposals for action forward.

72. Regarding the documentation of best practices, UNDP recently completed nine case-studies highlighting civil society contributions to poverty reduction that will be published in a book later this year (currently available at the new UNDP civil society website: www.undp.org/csopp). Documentation of additional case studies that illustrate UNDP partnerships with civil society is ongoing, particularly with indigenous peoples organizations. In part, these serve to depict successful practices and processes that occur at the regional and national level. For example, one of many successful regional programmes that engage CSOs is the Africa 2000 Network Regional programme. The programme has established strong working relations with CSOs in some 12 countries with the principal areas for collaboration being: bare soil restoration and environmental preservation; food security; HIV/AIDS; soil restoration and agro-pastoral production; and community capacity-building. The network participatory approach, bottom-up approach strategies, horizontal consultation, use of local expertise development

of partnership, direct working relationship with grass-roots communities – all of these have been very successful in reaching 703 community-based organizations and close to 2 million direct beneficiaries. There are numerous UNDP programmes similar in nature to the Africa 2000 Small Grants Programmes such as the Local Initiative Facility for Urban Life (LIFE), Partners in Development, and the GEF Small Grants Programme.

Box 7
The Regional Justice Project

The UNDP-sponsored Regional Justice Project is an example of the important role that civil society organizations are playing in reforming justice systems in the Latin America and the Caribbean region. The Project sponsors the coordination and exchange of experiences among a variety of groups working towards judicial reform, effectively creating a regional network for the democratization of justice.

The active participation of civil society contributes to the irreversibility of any changes achieved in the justice sector. Network members are demanding that the justice system meet society's demands for public protection and security by creating new institutions or strengthening existing ones to ensure that every citizen's rights are respected by other citizens and by state institutions. The network is comprised of more than 400 NGOs, meaning more than 250,000 participants from countries in Latin American and the Caribbean.

Cooperation with the private sector

73. UNDP works to foster partnerships with the private sector to promote the goals of poverty eradication and sustainable human development. Partnerships between UNDP and the corporate sector fall under the vision of the Global Compact initiative and provide an opportunity to put its principles into practice. During the course of 1999, UNDP gained valuable experience working in a consultative process with the corporate community under the Global Sustainable Development Facility. From the lessons learned here and in other experiences in which it has engaged the private sector, UNDP formulated a draft strategy entitled "UNDP-Corporate Sector Partnerships", which explored areas for future collaboration. It outlines a framework for collaboration with the corporate sector at three levels:

- Global partnerships;
- Partnerships for an enabling environment;
- Partnerships for corporate citizenship.

74. The new models for partnership appropriately reflect the new vision of the future UNDP, one where its activities will play a more upstream role in the development context.

75. On the operational level, UNDP has initiated engagement with the private sector at both global and country office levels. Globally, UNDP - along with the World Business Council for Sustainable Development and with other United Nations agencies - has started a joint effort to provide support for capacity-building in relation to the implementation of the Clean Development Mechanism (CDM), in connection with the Kyoto Protocol. Private sector partners are actively sought to implement CDM-related projects and the United Nations agencies work to enhance the enabling environment to promote additional activities. The netaid.org initiative undertaken with Cisco Systems is another example of a partnership with a global impact.

Box 8
netaid.org

Launched by UNDP and Cisco Systems in September 1999, netaid.org uses the power of the Internet to attack extreme poverty by making it easier for the public and the private sector to get directly involved. Its objectives are to build public and political awareness of the massive problem of world poverty, expand and empower the non-governmental constituency to fight it, promote the human development agenda, and mobilize the necessary resources to expand connectivity in the South to empower people in the developing world to take control of their own destiny.

Netaid.org kicked off with three concerts produced in partnership with leading artists and producers in the entertainment industry. These concerts were webcast live to more than 160 countries to raise money and help create a brand name for netaid.org. The web site has already received 50 million hits and some $12 million has been raised for the netaid.org foundation, which in January gave $1.7 million in grants to NGOs fighting poverty in Africa and Kosovo. In February, netaid.org introduced an on-line volunteer facility to match professionals who have skills that can be donated over the Internet with NGO partners seeking such assistance in the South. In April, the site launched the Mother and Baby Survival project, which sold over 8,000 birthing "survival kits" online in its first 10 days alone, paid for by people in the North for delivery by the International Rescue Committee to pregnant mothers in Rwanda. One of the unique netaid.org assets is its capacity to track donations and delivery on-line, providing new incentives for the public to contribute to the fight against poverty by introducing a new level of accountability and transparency to development cooperation.

76. At the country level, a partnership between Statoil, UNDP and Amnesty International in Venezuela led to a project to train the judiciary on human rights issues. In Mozambique, UNDP held a round-table discussion in November 1999 between United Nations personnel, government officials and representatives from the business community. The round-table discussion provided an opportunity for all participants to explore the potential for partnerships in the area of sustainable development. In Kazakhstan, UNDP runs a business centre that helps local entrepreneurs set up businesses. Citigroup's Citibank is also involved in the centre by helping to run an operation that gives the entrepreneurs small loans.

Box 9
UNDP collaboration with Statoil for human rights in Venezuela

One of the principal UNDP areas of focus is the creation of enabling environments for sustainable development, working with partners at the country level to tackle such issues as corruption, judiciary protection, fair elections and human rights. In Venezuela, UNDP and Statoil are collaborating on a project aimed at educating judges and public defenders about laws, regulations and issues relating to human rights. Venezuela was chosen because the country is just now undergoing judicial reform under which defendants will be considered innocent until proven guilty. Other partners include Amnesty International and independent state agencies, which participate in a training programme for judges on international human rights laws and regulations.

UNDP role in aid coordination

77. In 1999, UNDP undertook a comprehensive evaluation of the round-table mechanism in 27 countries. UNDP used the evaluation of the mechanism as an entry point to review its future role in aid coordination. The main findings of the evaluation are that: (a) despite weakness in the follow-up, the round-table mechanism is still a

relevant tool for policy dialogue; (b) there is a divergence between donor and recipient countries on the resource mobilization objective since donors are reluctant to make firm commitments and governments lack follow-up instruments to track the resources pledged; (c) in general, true capacity development has not resulted from the process; (d) the participation of civil society and the private sector in aid coordination needs to be strengthened; and (e) United Nations agencies are willing to play a more active role than in the past.

78. The round-table evaluation was conducted concurrently with the World Bank's evaluation of the Consultative Group process. Four lessons learned can be gleaned from the concurrent evaluations: (a) effective aid coordination is about building partnerships, not only at the technical level but also at the highest political level, between recipient countries and donors; (b) CSO participation is essential in achieving the full ownership and initial buy-in of development cooperation and coordination and is instrumental in monitoring the partnership agreements between donor countries and recipient countries and ensuring their mutual accountability; (c) given that traditional approaches to capacity development have been unsuccessful, there is a need to define and operationalize a more comprehensive and strategic view of capacity-building; and (d) there is still no forum whereby recipient governments, civil society, the private sector and the donor community can engage in a meaningful dialogue and mobilize resources for development.

79. In order to discuss the findings of their respective evaluations and to formulate a new vision of development cooperation for the twenty-first century, UNDP and the World Bank, along with the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), co-organized the Development Partnership Forum entitled From Aid Coordination to Development Partnership. It was hosted at DAC headquarters in Paris on 7-8 December 1999.

Box 10
Main conclusions of the Development Partnership Forum

- UNDP, the World Bank and other agencies supporting development cooperation and coordination should promote country-led aid coordination processes and work together to develop joint approaches for the transition of ownership through shared consultation instruments, such as the CDF and CCA;
- Donors and programme countries should support demand-led efforts to build national capacities that enable recipient countries to assume the leadership of the development cooperation and coordination process. Special attention should be given to formulating, implementing, monitoring and evaluating policies and programmes at both the macro and sectoral levels;
- Donors need to clarify their resource commitments; adhere to country-led efforts for coherence and selectivity in the application of external development resources; harmonize their procedures; and develop their own capacities to recognize and identify the existence of local capacity;
- Donors must avoid activities and programmes that actually destroy local capacity. For example, they should review hiring practices that place local consultants at a recruiting disadvantage and should seriously modify their use of project implementation units;
- Donors and programme countries must find ways to enhance civil society's ability to participate effectively in the process;
- Recipient countries must do a better job in creating a national capacity-building strategy that defines where the country wishes to go, which would then be agreed to and supported by the donor community;
- Recipient countries must be more involved in the evaluation of donor programmes;
- All international partners should help to build local capacity for public management. In so doing, they must keep in mind the effects of the changing context of development assistance (e.g., globalization, private investment flows, declining ODA, regional cross-border issues and the advent of information and communications technologies).

People

80. People are key to the successful renewal and reform of UNDP. Serious investment is being made in human resources management and in people to help the organization to align and empower staff to achieve goals and to create conditions to attract, develop and motivate talented people to excel.

81. During 1999, UNDP implemented several corporate human resources strategies as part of a change agenda designed to encourage both staff and management to make a stronger commitment to accountability and performance and to empower staff to enhance their own personal development and effectiveness.

Enhanced recruitment

82. A competitive entry-level recruitment programme is being re-established to bring fresh blood into UNDP and a mentoring system is planned to support new entrants. Other human resources management priorities in 2000 include process improvements to achieve speedier recruitment, placement, benefits and separations, and more effective use of career counselling.

Empowering staff and re-making the workplace

83. A new framework in support of staff development has been adopted organization-wide and identifies concrete steps for increasing individual learning opportunities for UNDP staff, with special attention to information technology training and retraining. A new work-life policy has also been rolled out, which introduces flexitime, telecommuting and other flexible working arrangements to support UNDP staff and their families.

Resident coordinator selection system

84. Working with a private management consulting firm, UNDP has played the lead role in mainstreaming the resident coordinator competency assessment piloted in 1998. This professionally managed screening process establishes a pool of qualified candidates from various United Nations organizations with competencies specifically matched to the resident coordinator profile. A total of 60 candidates from UNDP and other UN organizations and agencies underwent the assessment in 1999. This approach to selection has broken new ground in the United Nations system and is a prime example of inter-agency cooperation. There are currently 29 women resident coordinators (24.2 per cent) compared to 26 (21.8 per cent) before the new selection procedure was adopted in November 1998. In terms of agency belance, there are currently 23 (19.2 per cent) resident coordinators (men and women) from organizations other than UNDP compared to 17 (14.3 per cent) in 1998.

Streamlined performance appraisal and introduction of management competencies

85. OHR has introduced a streamlined version of its performance appraisal review (PAR) system, which will place increased emphasis on change management, teamwork, networking and information technology proficiency. The PAR is also being used to establish a profile of key managerial traits, and a 360-degree appraisal exercise is being piloted to get staff feedback on management performance.

Performance

86. A commitment to performance and measuring results is an integral part of the UNDP programme for reform and renewal. UNDP is working to establish a results-oriented culture of accountability, in which performance is systematically measured and improved and resources are strategically managed and put to the best possible use at the country level.

87. With the methodology developed for the MYFF, UNDP has significantly increased its emphasis on performance. Results-based management lies at the heart of the MYFF. Performance targets have been

institutionalized into the MYFF and other instruments, and will be measured at least once a year using tools such as the ROAR, scorecards and various surveys.

88. In order to move forward and strengthen the new performance culture in UNDP, the following measures have been initiated:

New management structure

89. Effective January 2000, the Administrator has established an Executive Team comprising the heads of bureaux and the Associate Administrator to exercise collective leadership and responsibility for the strategic direction of UNDP and monitor the progress with respect to the targets laid out in the MYFF and the reforms prescribed in the Business Plans.

Corporate planning framework

90. A new corporate planning framework, comprising headquarters and country office annual management plans and individual performance plans, is being established to ensure that bureau, unit and individual annual work plans are aligned with the corporate strategy set out in the Administrator's Business Plans.

Performance measurement instruments

91. A number of new performance measurement tools are being established to monitor progress closely towards the goals set out in the UNDP Business Plans:

92. **Scorecards**. Scorecards are being developed to obtain a consolidated measure of organizational performance on transformational activities based on certain key indicators. These scorecards are designed to enable the Executive Team and other stakeholders such as donors and recipient governments to assess, at a glance, how the entire organization is progressing with regard to its transformation agenda in five performance dimensions: policy, partnerships, people, effectiveness and resources. Numeric targets have been set for the years 2000-2003 and will be compared with actual achievements at the end of each year.

93. **Monitoring of the Business Plans**. A system capturing the status of various initiatives of the Business Plans is being created for review by the Executive Team so that senior management can keep a close watch on progress and identify the need for possible adjustments.

94. **Implementation support to the Business Plans**. To assist the headquarters units and the country offices in the start-up of the overall transformation efforts, the Organizational Development Advisory Service in the Office of Planning of the Bureau of Management has been established as a one-year initiative.

II. Programme results

95. The presentation of programme results draws on the 1999 results-oriented annual report (ROAR). The preparation and completion of the 1999 ROAR represents a critical step in delivering on the compact made with the UNDP Executive Board when it approved the multi-year funding framework (MYFF) in its decision 99/23 of 17 September 1999.

96. The first ROAR, contained in addendum 1 to the present document, may be viewed as a start-up effort that provides a critical opportunity to test and streamline the application of results-based management in UNDP. Although there is a need to refine the methodology further and the quality of the data provided was not uniform, the findings are sufficiently robust to allow useful conclusions to be drawn and comparisons made. This approach, which should be seen as a step beyond self-assessment, requires reporting against indicators, as well as cross-checking by the relevant units, and will be built upon in the future to enhance reliability.

97. The 1999 ROAR provides a comprehensive picture of where UNDP has focused its efforts and assesses the progress made against intended outcomes for each of the six goals covered by the MYFF. These are:

- To create an enabling environment for sustainable human development;
- To eliminate extreme poverty and substantially reduce overall poverty;
- To protect and regenerate the global environment and natural resources asset base for sustainable human development;
- To achieve gender equality and advance the status of women, especially through their own empowerment;
- To prevent or reduce the incidence of complex emergencies and natural, environmental, technological and other human-induced disasters, and to accelerate the process of sustainable recovery;
- To provide effective UNDP support to the United Nations Agenda for Development.

Overview

98. A strength of results-based management, reflected in the ROAR, is its comparative approach to assessing progress. Some of the quantitative and qualitative findings are examined in the analysis of results below. The measure of progress that was adopted is the percentage of progress against intended outcomes as reported by country offices. These percentage figures are then aggregated at the different levels of goal, sub-goal and strategic area of support. As in the MYFF, results achieved cover both outcomes and outputs. Examples of progress at the outcome level may include high turnout in general elections or a shift in public expenditure towards social sectors; and at the output level, examples could include the number of election workers trained or the preparation of a 20/20 report. A systematic approach to indicators and the common definition of progress permitted assessments that could be compared across countries, regions and thematic categories, recognizing that it is often comparative data that is of greatest use to management,

99. In examining the typology of results obtained (see box 11), it is clear that UNDP has concentrated its support overwhelmingly in the capacity-building category, which accounts for 67 per cent of all results. The remaining third is almost evenly spread among empowerment, targeted or pilot interventions, and knowledge networking. When further disaggregated, the ROAR shows that some 42 per cent of capacity-building outcomes involve support to policy and regulatory/legal frameworks, followed by institutional capacity, social cohesion and data collection. This is encouraging given that rates of progress of over 70 per cent are reported for capacity-building interventions. There are variations across the goals, with significantly higher success rates in improving the policy and regulatory frameworks reported for governance (at 78 per cent) than for poverty or gender. Table 1 summarizes the rates of progress reported by country offices for capacity-building outcomes.

Box 11
Typology of generic outcomes

A. Capacity-building

  A.1 Policy, regulatory and legal frameworks
  A.2 Increased cohesion, inclusion and awareness in the enabling environment
  A.3 Institutional capacity
  A.4 Data collection and monitoring

B. Knowledge networking and the adoption of regional and multisectoral perspectives

C. Empowerment and participatory approaches

D. Targeted/pilot interventions

Table 1
Progress reported for capacity-building category (percentage)

	Enabling environment	*Poverty*	*Environment*	*Gender*	*Special development situations*
A1. Policy regulatory framework	78	62	77	59	76
A2. Social cohesion	73	85	56	67	67
A3. Institutional capacity	75	70	63	77	71
A4. Data collection	-	70	67	67	-

100. Table 2 assesses the 'intensity of effort' in each region with respect to the six goals. There is considerable variation across goals within the same region, with sub-Saharan Africa, for example, heavily involved in governance and poverty reduction, but less involved in environment, gender and special development situations (SDS). Latin America and the Caribbean, while focusing on poverty and governance issues, is also achieving results in environment. Variations in focus and in rates of progress reported may reflect different country and regional circumstances and needs, and are assessed in more detail below.

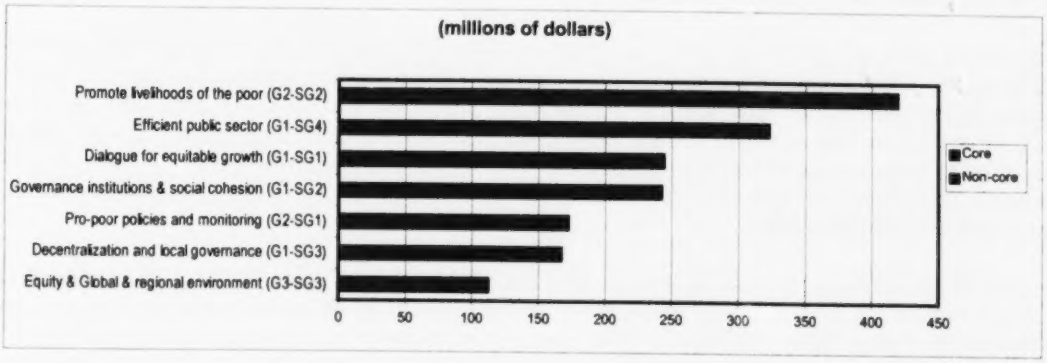
Table 2
Summary of reporting by goal and region (number of country offices[a]

	Enabling environment	*Poverty*	*Environment*	*Gender*	*Special Development Situations*	*Support to the United Nations*
Sub-Saharan Africa	40	41	32	28	9	39
Asia and the Pacific	22	22	21	19	15	23
Arab States	17	17	15	12	8	16
Europe and the Commonwealth of Independent States	22	21	19	21	16	20
Latin America and the Caribbean	24	24	23	15	7	20

[a] The total numbers of country offices covered by the respective regional bureaux are: Africa (45); Asia and the Pacific (24); Arab States (18); Europe and the Commonwealth of Independent States (22); Latin America and the Caribbean (24)

101. With respect to expenditures, the data show that seven sub-goals account for expenditures of $1,681 million, or 89.7 per cent of total UNDP estimated expenditure for 1999 (see figure 1). The ranking of these sub-goals is not dramatically affected when comparing core with non-core expenditures, which could be seen as indicative of growing success by UNDP in maintaining its core priorities.

Figure 1: Expenditures for 1999 (estimated)



Analysis of results by goal

102. The ROAR examination of overall performance is complemented by a more detailed assessment of three sub-goals – relating to enabling environments, poverty and UNDP support to the United Nations - selected in agreement with the Executive Board. This permits a more precise identification of where the comparative strengths of UNDP lie, and the kinds of products and services that underpin these strengths. The analysis of results below begins with the sub-goals relating to enabling environment, poverty and UNDP support to the United Nations, reflecting the more in-depth analysis undertaken, and covers environment, gender and SDS in more summary form.

Creating an enabling environment for sustainable human development (Goal one)

103. The ROAR analysis of the enabling environment goal highlights the fact that UNDP focuses on two areas in particular:

- The promotion of sustainable human development (SHD) issues and policy formulation, with national human development reports (NHDRs) an important instrument towards this end for all bureaux. The rate of progress against intended outcomes reported by country offices is high, at about 87 per cent. In 1999, a total of 75 NHDRs were produced, some leading to innovative approaches to monitoring SHD conditions - as in Brazil, Kyrgyzstan, Poland, and Russia. This strategic area of support (SAS) also registered the largest number of entries for the goal as a whole.
- The second clear focus is on support to the state in fostering SHD and poverty eradication. Sixty per cent of all entries are focused on this with a clear concentration on central-level institutions that play a key role in political, economic, and social reform - such as parliament, electoral commissions and the judiciary.

104. The sub-goal on strengthening the capacity of key governance institutions for people-centred development revealed that UNDP offices are adopting an increasingly holistic approach to electoral assistance, whereby high profile support for elections serves as a springboard for strengthening the institutions of democratic governance (as in Indonesia, Mozambique and Nigeria, for example).

Box 12
Technical assistance for the 1999 Indonesian General Elections

As part of its ongoing governance programme, UNDP was at the forefront of international efforts to provide technical assistance for Indonesia's general elections in June 1999. From the moment the elections were announced by President Habibie the year before, UNDP worked to foster dialogue between the Government and civil society on the importance of good governance to sustainable human development. UNDP helped the Government to redraft the electoral laws and on 4 February 1999, a Memorandum of Understanding was signed by UNDP and the Government that entrusted UNDP with the overall coordination of all international assistance to the electoral process.

Within four months of President Habibie's announcement, donors pledged a total of $90 million, two thirds of which was channeled through UNDP. Although the other $30 million was directly managed by the United States Agency for International Development, the management of these funds was also coordinated by UNDP. These funds were channeled by UNDP into six programme components:
(a) electoral management; (b) voter information; (c) voter education by civil society organizations; (d) election monitoring; (e) post-electoral activities; and (f) other areas, such as overall coordination and facilitating the work of international observers.

Electoral support did not end with the elections, however. UNDP has continued its assistance by sponsoring programmes that reinforce and deepen understanding of democratic concepts and capacity. The post-election programme focuses on four areas in particular: (a) enhancing the capacity of the national parliament as the legislative arm of the Government; (b) similar capacity-building for provincial and regional legislatures; (c) empowerment of civil society organizations as actors in the new system of democratic checks and balances; and (d) helping to use the election experience to redesign the electoral system and administration.

In early 2000, the UNDP post-election programme was integrated into the much broader framework of the Capacity-building for Governance Programme, jointly coordinated by UNDP, the World Bank and the Asian Development Bank.

105. Some 83 per cent of 29 country offices report progress. Increasingly, UNDP provides legislatures with assistance in shaping SHD priorities and legislation. By contrast, decentralization support to local government exhibited the lowest performance rate at a modest 63 per cent.

106. Forty-seven country offices recorded activities in the areas of judicial and legal reform, including interventions to address penal and police system problems. Reforms that grow out of UNDP-sponsored dialogues often resulted in improvements in equity and access, as evidenced by the many notable programmes throughout Latin America. Human rights forms a new but rapidly growing area for UNDP, concentrating on awareness-raising and policy advice, the creation of human rights ombudsmen, and the strengthening of judicial capacity in human rights. Particularly good progress is apparent in Europe and the Commonwealth of Independent States and in Latin America. Human rights and the judiciary also emerge as particularly important in a number of countries undergoing political transition, such as Afghanistan and Burundi.

107. The ROAR analysis gives rise to a number of emerging issues. Of particular concern is that the ROAR data indicate that UNDP is not yet systematically incorporating its insights on poverty reduction into its approaches to governance. UNDP support across a wide range of enabling environment issues – such as decentralization, public sector reform, and support to the judicial system - needs to be more closely linked to the needs of the poor. Efforts to link policy and capacity-building to poverty reduction and improved access by the poor appear to be ad hoc and uneven across regions.

108. The ROAR highlighted the significance of the NHDRs as a powerful tool to stir development debate, particularly in countries where civil society is weak and reliable data scarce. Building on this, there is now a need to undertake a determined corporate effort to have NHDRs produced by all country offices, so that their potential can be harnessed as a critical vehicle to promote focused attention on key development issues at the national and regional level.

Box 13
The Africa Governance Forum

The Africa Governance Forum series has provided a platform for governments, CSOs, NGOs and their external partners to facilitate consensus-building dialogue, capacity enhancement, more effective in-country coordination and greater mobilization of resources for governance programmes. The third Forum, held in Mali in June 1999, focused on good governance and conflict management for durable peace and sustainable development, and was supported by the Governments of Japan, Norway and Switzerland. Participants included representatives from 20 African countries, 18 NGOs and CSOs, and 24 external development partners, including donors, inter-governmental organizations, and United Nations and other international organizations.

Presentations made by representatives of 11 African countries supported the conclusion that political crises in Africa that erupt into civil war have resulted largely from the absence of democracy, failure to respect human rights, lack of transparency and accountability, poverty, the politics of exclusion and the blocking of popular participation in the management of public affairs. In other words, these conflicts have arisen from the paucity of traditions and structures for good governance, a linkage that was first addressed in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871-S/1998/318).

Recognizing the need to understand the multiple factors and forces that cause conflict and political instability, the Forum underlined the importance of creating enabling environments for good governance in each country and of ensuring consultation and dialogue with as wide a range of stakeholders as possible at all levels. The Forum identified key institutions and partners necessary for enhancing institutional capacity for conflict management, and emphasized areas where training is needed as well. The Forum also emphasized that, in order to achieve durable peace and sustainable development, each national stakeholder must work together with subregional, regional and international development partners to pursue comprehensive and effective policies and supporting mechanisms to reinforce reconciliation, reintegration and resettlement.

Poverty eradication and sustainable livelihoods (Goal two)

109. The analysis of this goal overall revealed that downstream expenditures were about double those for upstream, with large numbers of results relating to health epidemics, social services, employment, micro-finance, and self-organization of the poor. While downstream interventions often yielded positive results for the beneficiaries targeted, they were often not accompanied by UNDP involvement at the levels of policy formulation or legal and regulatory frameworks. Results in the areas of employment promotion and micro-finance provide particularly clear illustrations of this.

110. Knowledge dissemination and networking, through the use of information technology, is an emerging area for UNDP. Results included the strengthening of civil society organizations working on poverty. A limited number of results included a specific gender component, mainly relating to employment promotion and access to micro-finance services for women.

111. The first sub-goal - promoting poverty-focused development and reducing vulnerability - captures much of the progress made by UNDP in supporting poverty reduction at the macro level. At its heart lies UNDP support to national anti-poverty plans and the promotion of pro-poor policies. Encouragingly, the ROAR shows that UNDP is concentrating its effort at the relatively advanced stages of preparing and implementing anti-poverty plans rather than simply advocating for such plans. Very high levels of progress against intended outcomes are reported, at 87 per cent, and extensive cooperation with the World Bank is apparent in Africa, Asia and the Pacific, Europe, and also in Latin America and the Caribbean, where cooperation with the Inter-American Development Bank and the Economic Commission for Latin America and the Caribbean plays a significant role as well. But although UNDP has begun to provide assistance for the preparation of poverty reduction strategy papers (PRSPs), reporting on pro-poor macroeconomic policies is generally very weak outside of Latin America. At the sectoral level, the ROAR data suggest a need for UNDP to broaden its assistance to policy reform and institution-building beyond the social sectors.

Box 14
Poverty eradication in Kenya

In many countries, the combined strength of the United Nations system is often underestimated. An analysis conducted by UNDP in Kenya in 1999 showed that the direct and indirect benefits to the country of combined assistance from the United Nations system amounted to more than $350 million, equivalent to 3 per cent of the country's GNP and 19 per cent of exports. This amount exceeds the Government's combined budget allocation to roads, health and social welfare.

Working with other organizations in the United Nations system, UNDP is in the front line of poverty eradication. As follow-up to the launch of the country's national poverty eradication plan in 1998, UNDP is leading United Nations efforts in a number of joint undertakings, including:

- Situation analyses of urban slums, which are intended to serve as the basis for strategies for collaborative programming;
- The development of a common database disaggregated by age, sex and income levels, and the conducting of gender-sensitive studies for use by the United Nations system and its partners;
- The development and funding of community-based projects to address poverty by increasing production and empowering local people, particularly women, to manage their resources efficiently;
- The development and implementation of policies relating to poverty reduction, job creation, health-sector reform, sanitation, disaster management, HIV/AIDS, polio-eradication and gender-mainstreaming; and
- Sectoral and intersectoral programmes focusing on vulnerable groups, such as women, with a particular emphasis on young girls.

112. UNDP has been active in supporting 20/20, although the ROAR indicates that progress made has been limited to the carrying-out of studies in half of the 42 countries, and that very few countries are at the stage of carrying out a reallocation of social sector expenditure. Some innovative results are apparent with respect to social protection, but the analysis shows that UNDP has often supported the reform of social protection systems in general rather than responding to the needs of the poor and vulnerable in particular.

113. After pro-poor policies, the monitoring of human and income poverty forms the second largest area of concentration within this sub-goal. Some 56 country offices report progress with respect to the regular updating of poverty-related statistics, and of these, 64 per cent indicate that national anti-poverty planning and policy-making takes account of poverty data. A full one third of these are in sub-Saharan Africa, and least developed countries in general show the most progress, accounting for nearly 60 per cent of positive results. It suggests that

UNDP has had some success in ensuring linkages between its work on indicators and support for poverty planning.

114. Although 32 country offices report that gender-disaggregated poverty-related statistics have been prepared, the ROAR results suggest that UNDP work on gender and poverty is often insufficiently integrated, and the intersection between the two – poor women – has been somewhat neglected. The ROAR confirms that UNDP assistance has been valuable in promoting the monitoring of income poverty but that more systematic progress is needed in monitoring human poverty.

115. An important emerging issue concerns the danger highlighted in the ROAR data that commitment by UNDP to poverty reduction often translates into an array of small-scale disjointed projects that are not linked to change at the policy level. UNDP appears to be supporting large numbers of micro interventions without giving sufficient priority to scaling them up for wider impact or ensuring that they provide insights relevant to policy-makers. UNDP support of micro-level interventions must increasingly ensure the potential for scaling up or establishing linkages with policy formulation in order to contribute most effectively to halving extreme poverty by 2015.

116. A further issue relates to the need for greater emphasis on monitoring human poverty. Many poverty assessments supported by UNDP are based on conventional income-expenditure surveys, with only limited emphasis on strengthening methodologies for monitoring wider dimensions of poverty. More progress is required if pro-poor policy-making is to reflect a better understanding of the multidimensional nature of poverty.

Box 15
Poverty Report 2000

Overcoming Human Poverty: UNDP Poverty Report 2000, a global report on human deprivation and policies to reduce it, was released in April 2000. The report reviews progress since the 1995 World Summit for Social Development and finds that little progress has been made. Specifically, the report calls for:

- Greater commitments to poverty reduction from donor and programme countries;
- Development of national anti-poverty plans;
- Linking poverty to national policies;
- Linking countries' international policies to poverty;
- Greater attention to governance issues, particularly pro-poor governance at the local level;
- Greater organization by the poor themselves;
- Focusing resources on the poor;
- Integrating poverty programmes; and
- Monitoring progress against poverty.

UNDP support to the United Nations (Goal six)

117. This is the most heavily reported of all thematic categories with information from country offices closely matching the priority areas identified in the MYFF. Average progress against intended outcomes appears to be high with almost 80 per cent of offices reporting progress for the goal as a whole. Significant progress is being reported at both corporate and country levels, in the former case through the achievement of common positions on development and operational issues in the United Nations Development Group (UNDG), the Administrative Committee on Coordination (ACC), and the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC), although this must be qualified by the lack of progress on a common agenda for post-conflict recovery. In the case of country offices, particularly notable is progress in

the widespread adoption of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF).

118. The ROAR data indicate that CCAs and UNDAFs are becoming central to United Nations system processes and that they provide a vehicle for a more coordinated, coherent approach. It is unclear, however, whether they are being used to their full potential; if they are to justify the additional transaction costs that they impose, they must be seen as something more than just an instrument for improving United Nations system coordination. These increased transaction costs need to be reduced by cutting back on other agency-level processes and procedures. This, together with the uneven quality and utilization of CCAs and UNDAFS, suggests that UNDG must guard against prematurely concluding that the United Nations reforms are well under way at the country level. The more difficult tasks and harder choices still lie ahead.

119. The strong progress reported for this category can therefore be seen as both a strength and a weakness for the organization. It reflects the strength of UNDP and the United Nations in internalizing United Nations reforms and securing the process involved. Yet, it also points to a weakness given that progress is measured, for example, by the number of UNDAFs and CCAs under way rather than asking the more difficult questions about what they achieve. The latter points to the need for a substantial revision of the structure and content of the SRF, placing greater emphasis on the key substantive development outcomes to be pursued in collaboration with other United Nations agencies.

Summary findings on environment and natural resources, gender, and special development situations

Environment and natural resources (Goal three)

120. Reporting by country offices is largely concentrated in the areas identified as priorities in the MYFF. Upstream activities aimed at developing policy and regulatory frameworks, including the follow-up to global agreements and data analysis, show significantly higher levels of progress than downstream micro or targeted programmes. Although effort remains somewhat dispersed, the main areas of focus are climate change, biodiversity and, to a lesser extent, desertification.

121. Sixty-seven per cent of country offices reported progress although progress was greater for upstream work on policy and regulatory frameworks and capacity-building than for downstream micro or targeted programmes. Environment and natural resources was the third largest beneficiary of UNDP total expenditures last year. Analysis by type of activity indicates that downstream activities account for more than a third of total expenditures.

122. Funding from the Global Environment Facility appears to have been critical both in shaping the substantive thrust of UNDP efforts and in influencing the nature of activities undertaken in the areas of policy, legislation, regulation, capacity development and micro-interventions. Among these activities are some – resource mobilization, public-private partnerships and regional action – that are potentially leading-edge. Overall, the results achieved so far clearly suggest that UNDP is still largely at the start-up phase - that is, helping to lay the groundwork for accelerated action by national partners.

Box 16
Global Environment Facility

UNDP-GEF secured GEF Council approval for projects that combined $155 million in GEF resources with $125 in co-financing for a total of $280 million during 1999. The cumulative portfolio, excluding co-financing, grew to $0.9 billion by the end of the year and is expected to reach at least $1.078 billion by end-June 2000. Each project combines GEF funding with resources from governments and other donors to enhance the capacities of people and institutions to utilize the information, knowledge and technology needed to harmonize the protection of the global environment with the development of prosperous local economies. The UNDP-GEF portfolio includes 154 enabling activity projects that are assisting countries with the preparation of national inventories, strategies and action plans as required by the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity.

Box 17
Montreal Protocol

By the end of 1999, UNDP was assisting 69 countries in efforts to eliminate ozone-depleting substances under the Montreal Protocol. In 1999, total project approvals amounted to $42.2 million, with $38.5 million of that total in UNDP work programmes funded by the Executive Committee of the Protocol's Multilateral Fund and $3.8 million funded through the GEF for work in the Commonwealth of Independent States. This resulted in the UNDP cumulative project portfolio for 1991-1999 rising to $271.5 million. The portfolio now comprises 1124 projects, including 719 technology-transfer conversion projects which will eliminate 34,215 tonnes/year of ozone-depleting substances.

Gender equality and the advancement of women (Goal four)

123. The direct promotion of gender concerns by UNDP appears to be occurring against a backdrop of severe financial constraints, with the gender category accounting for only 3.4 per cent of UNDP core resources and 1 per cent of non-core expenditures. In preparing the MYFF, it was felt that the apparent under-representation of gender might reflect the mainstreaming of gender issues within other categories. However, the ROAR provides limited evidence of mainstreaming, with few country offices specifically referring to the integration of gender issues within their programmes. There has been significant progress in all five regions in policies for gender equality and national action plans for the advancement of women. Less progress is reported for the integration of gender concerns into development policies. This may reflect the allocation of funding primarily to national institutions responsible for women's affairs and national plans on gender. The integration of gender concerns into national policies goes far beyond gender-related national programmes, and requires an outreach capacity and resources that UNDP lacks, thus translating into significantly more modest results. UNDP is active in promoting networking for regional and cross-regional exchanges of knowledge, with growing use of information technology and partnerships with civil society organizations.

124. The results from the ROAR suggest a need for a strengthened effort to mainstream gender concerns in UNDP interventions, particularly those relating to environment for SHD and poverty. This calls for a better tracking system to ensure that mainstreaming is actually occurring and that its results can be measured. The ROAR data show that the strongest progress in outcomes appears to take place when UNDP has played a lead role in partnership with others. This implies the need for greater commitment to developing coalitions and partnership-building around specific outcomes in the area of gender and the promotion of women. There is a need for greater integration of gender issues into national policies, which will require UNDP to develop interventions at the upstream level and to build strong partnerships to increase its outreach capacity.

Box 18
Regional Campaign to Raise Awareness of Violence Against Women

The Regional Bureau for Latin America and the Caribbean campaign, Violence Against Women and Girls, is coordinated by UNDP and UNIFEM and is sponsored by eight United Nations agencies. The programme has received formal endorsement from 22 governments in the region, and enjoys the active participation of NGOs, public and private institutions and civil society at large. The campaign has been instrumental in alerting governments and civil society to the urgency of taking action against such violence and has produced television and radio spots, a web site and a regional magazine on related issues to promote its message. UNDP has also supported the development of 19 national reports in the region that illustrate the prevalence of the problem and ways that governments can address it.

Special development situations (Goal five)

125. The SDS goal may be seen as a response to the increasing number of man-made and natural disasters in recent years, and a recognition of the need to address the two-way link between poverty and marginalization on the one hand, and crisis and conflict on the other. Average performance is good, with over 75 per cent of country offices reporting progress, although with considerable variation across bureaux, ranging from over 80 per cent for the Regional Bureau for Latin America and the Caribbean to under 60 per cent for Arab States.

126. Significant underreporting was evident, as results relevant to special development situations were often reported under other goals. For instance, an overwhelming number of the 21 sub-Saharan African countries experiencing or recovering from political or social unrest and/or natural disasters have chosen to report most results under other thematic categories.

127. The largest concentration of activity reported on in the ROAR concerns strengthening the link between development activity and effective disaster mitigation and planning. Progress here is disappointing overall, at 61 per cent; the primary focus is on developing institutional capacity for disaster prevention, for which progress averages 78 per cent. With the lowest number of reported interventions but the highest average rate of progress (84 per cent), the sub-goal on restoring national capacity includes sensitive initiatives designed to consolidate peace and build stability in post-conflict situations.

Box 19
The UNDP's response to the Kosovo crisis

UNDP was part of the United Nations system advance team that entered Kosovo on June 13 under the leadership of the Special Representative of the Secretary-General, a.i.. The UNDP contingent quickly set out to establish an operational office in Pristina and to develop strategies in support of the United Nations Mission in Kosovo (UNMIK) overall goals of creating social, economic and political conditions conducive to peace and national reconciliation in Kosovo. In this connection, UNDP - in partnership with UNMIK pillars, key donors and major NGOs present in Kosovo – has formulated a programme of approximately $35 million that combines local and province-wide good governance and institution-building activities with the delivery of quick-impact social and economic support.

The main interventions of the UNDP-led programme are in the areas of village employment and rehabilitation, funded by the European Commission; small enterprise development and community rehabilitation, funded by the United Kingdom and the Netherlands; and media support and rehabilitation of long-term housing and electrification equipment funded by Japan.

With the recent decision to add development coordination functions to the position of the UNDP Representative in Pristina, UNDP will also be playing a greater role in supporting UNMIK efforts to coordinate the activities of the United Nations development system.

Box 20
Albania: Weapons in exchange for development - the Gramsh experience

In March 1997, the collapse of fraudulent pyramid investment schemes sparked civil unrest in Albania, during which some 650,000 weapons and 20,000 tonnes of ammunition were looted from army depots across the country. Although most of these were exported to Greece, Kosovo and elsewhere, large quantities remain in Albania. The Gramsh district (population: 50,000), with four army depots and a weapons factory, became something of a munitions market, with the highest concentration of weapons in civilian hands. As part of an effort to restore public order and citizen safety, UNDP and the Department for Disarmament Affairs of the United Nations Secretariat launched a pilot project in Gramsh, at the invitation of the Government, in November 1998.

The pilot project - which has received funding from Andorra, Belgium, Denmark, Finland, Japan, Norway, Sweden, the United Kingdom and the United States - was designed to help to re-establish order through the collection of illegal weapons and ammunition from the civilian population. Building on five key elements – symbolism; advocacy and public awareness-building; community involvement and reward; voluntary surrender; and public destruction of weapons – the project seeks to reduce the threat of recurring violence by offering the civilian population a combined package of improved security and community-based development incentives that will create jobs and income, especially for youth. So far, over 6,000 weapons and 100 tonnes of ammunition and explosives have been collected, many of which were destroyed in a public ceremony attended by President Rexhep Meidani and the Under-Secretary-General for Disarmament Affairs.

Conclusion and next steps

128. The ROAR and the MYFF define new opportunities for UNDP. By making a more convincing case to the broader public, they help to confirm the value of a multilateral organization in the global fight against poverty. As key planning and reporting instruments, they help to sharpen the strategic management of the organization. And by focusing on comparative value and the demonstration of results, they influence the content and nature of the organization's dialogue with the Executive Board and UNDP wider stakeholders.

129. Recent assessments of aid effectiveness argue for a focus on countries with high poverty rates and good policy environments. Yet a basic rationale of aid must be to help countries to improve their policy environments by stimulating debate and ideas. The challenge is to ensure that development cooperation is an effective "midwife of good policies". The United Nations in general, and UNDP in particular, have potentially the largest role to play in helping countries to develop and implement 'good' policies, thanks in part to the trust which stems from their universal presence and neutrality.

130. With the MYFF and the ROAR as essential building blocks, some of the management challenges facing UNDP can be presented as follows.

131. **Strengthening strategic management in UNDP**. The challenge now is to ensure that the notion of results and the SRF in particular drive management decisions throughout the organization. At the country level, each management team has to make its SRF more strategic, concentrating on a limited number of key outcomes with reporting on progress backed up by relevant indicators.

132. **Strengthening the focus on outcomes**. The notion of outcomes is still new to UNDP and requires additional effort to make it part of the understanding and normal work of the organization. At the country level, this requires a commitment to strong monitoring and evaluation of the key outcomes for which there is a demand for the UNDP contribution, in partnership with others. At the corporate level, UNDP may need to select a limited number of key outcomes stemming, from those discussed at the global conferences in which it wishes to take leadership. UNDP may also wish to pursue a coordinated effort, jointly with its key development partners, to track and evaluate progress in achieving global goals and targets.

133. **A stronger commitment to partnerships**. While broad, strategic partnerships may need to be nurtured with specific institutions, the largest gain may well lie in nurturing strong partnerships as part of coalitions, national and international, in support of specific development change. Partnerships must become outcome-specific.

134. This first ROAR has taken the organization a major step forward in delivering on the MYFF compact established with the Executive Board in 1999. It presents a significant opportunity for the organization to move ahead in becoming a knowledge-driven global catalyst and advisor delivering on its mandate for SHD and in making a concrete, substantial difference to the lives of people in the programme countries. With adequate resources, it provides an opportunity to demonstrate effectively the purpose and value of a multilateral organization in a rapidly changing world.

Box 21
AFRICA: Results at a glance

A. Resources: the 1999 disbursements

	Total resources		Core resources		Non-core resources	
	$ million	%	$ million	%	$ million	%
Governance/SHD	181.7	36	119.7	37	62.0	35
Poverty	138.7	27	114.7	36	24.0	13
Environment	82.0	17	44.6	14	37.4	21
Gender	13.8	3	10.6	3	3.2	2
Other	84.8	17	33.1	10	51.7	29
TOTAL	**501.0**	**100**	**322.7**	**100**	178.3	**100**

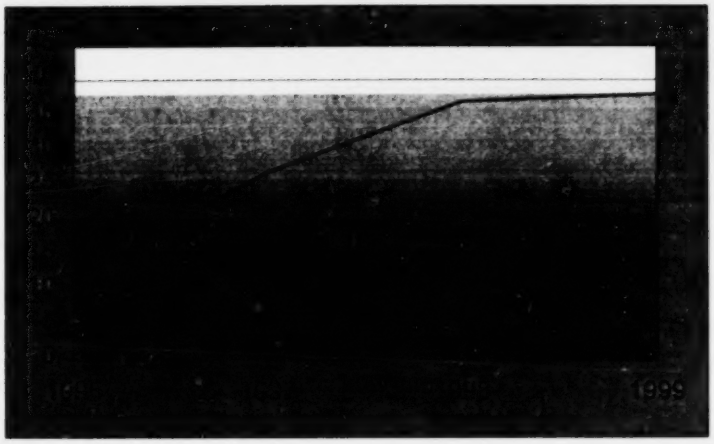
Source UNDP PFMS March 2000

B. Country commitments to eradicate poverty

National poverty plan in place		
Benin	Kenya	Niger
Cape Verde	Lesotho	Senegal
Gambia	Madagascar	Togo
Ghana	Mali	Uganda
Guinea	Mauritania	Zimbabwe
National poverty plan under development		
Botswana	Comoros	Nigeria
Burkina Faso	Côte d'Ivoire	Rwanda
Burundi	Equatorial Guinea	Sao Tome and Principe
Cameroon	Guinea Bissau	United Republic of
Central African Republic	Namibia	Tanzania
		Zambia
No plan, but poverty reduction in national planning		
Angola	Liberia	
Chad	Malawi	
Eritrea	South Africa	
Ethiopia	Swaziland	

C. National human development reports: Country coverage

Number of African countries having produced NHDRs, 1996-1999



D. Mapping of progress in UNDAF countries

Country	CCA	UNDAF
Burkina Faso	Ongoing	
Burundi	Completed	
Central African Republic	Ongoing	
Chad	Completed	Planned
Comoros	Ongoing	
Côte d'Ivoire	Ongoing	
Eritrea	Ongoing	
Ethiopia	Completed	Planned
Gabon	Completed	Planned
Gambia	Ongoing	
Ghana	Re-visited	Completed
Guinea	Ongoing	
Kenya	Completed	Completed
Madagascar	Completed	Completed
Malawi	Ongoing	Completed
Mali	Completed	Completed
Mauritius	Ongoing	
Mozambique	Completed	Completed
Namibia	Completed	Ongoing
Nigeria	Planned	
Rwanda	Ongoing	
Sao Tome and Principe	Completed	Planned
Senegal	Completed	Completed
South Africa	Completed	Ongoing
Swaziland	Completed	Ongoing

United Republic of Tanzania	Ongoing	
Togo	Ongoing	Ongoing
Uganda	Ongoing	
Zambia	Completed	Planned
Zimbabwe	Completed	Completed
Total completed	**15**	**8**
Total ongoing	**13**	**4**
Total planned	**1**	**5**
Total UNDAF countries for the region: 30		

III. UNDP-administered funds

United Nations Volunteers

135. During 1999, the UNV programme continued to promote volunteerism primarily through the mobilization and placement of UNV volunteers. (For a full account of UNV activities during the biennium 1997-1999 see document DP/2000/24) The number of assignments carried out in 1999 increased to 4,755, compared to 4,047 in 1998, representing an increase of 17.5 per cent. In addition, the number of individual volunteers involved increased from 3,643 in 1998 to 4,383 in 1999, an increase of more than 20 per cent. Of these volunteers who served during 1999, 64 per cent originated from developing countries while 36 per cent originated from industrial countries. Males accounted for 64 per cent of all volunteers, while 36 per cent were females. Representing 141 nationalities, these volunteers served in 148 countries, thus demonstrating the universality of the UNV programme and providing a channel for the exchange of appropriate skills within and among regions.

136. Within the context of the UNDP strategic results framework, most of the UNV volunteer services were concentrated in the following three areas: enabling environments for sustainable human development; poverty eradication and sustainable livelihoods; and special development situations. Many UNV activities were also related to the protection of the environment and the advancement of women.

United Nations Capital Development Fund

137. In 1999, UNCDF ensured the maximum operational impact of its investments with the poor in the poorest countries, to produce concrete results in piloting local governance programmes and micro-finance operations that can then be replicated on a larger scale and provide a basis for pro-poor policy decisions. The year marked the end of an intensive period of internal programme review with the publication of the new UNCDF policies on local governance ("Taking risks") and microfinance. UNCDF quickly moved to ensure that new programming reflected these policies and, where feasible, has realigned ongoing programming.

138. In September 1999, the Special Unit on Microfinance (SUM) was fully integrated into UNCDF. The Unit manages the UNCDF-funded microfinance portfolio and the UNDP-funded Microstart programme. SUM also continues to provide UNDP with microfinance advisory services.

139. The organization was assessed by a team of external evaluators in 1999 to determine whether UNCDF had delivered on the goals outlined in its 1995 policy paper entitled "Poverty Reduction, Participation and Local Governance: The Role for UNCDF". The evaluators found that the Fund had indeed realized the goals, implemented the policy and had enhanced

its distinctive identity by developing competence in the fields of decentralization and local governance as well as microfinance. The capacity of the institution has been improved and the preliminary judgement [of the evaluation] is that the new approaches have had a positive effect on field operations.

UNIFEM

140. The year 1999 represents the last year of implementation of the UNIFEM Strategy and Business Plan, 1997-1999. The Executive Board endorsed the Strategy and Business Plan 2000-2003 (DP/2000/15) in its decision 2000/7. The Fund continued to focus its work on its three thematic areas of women's economic empowerment, engendering of governance and leadership, and the promotion of women's human rights with a focus on the elimination of violence against women.

141. A landmark event in the area of women's human rights and the elimination of violence against women was the convening on 8 March 1999 of a global inter-agency videoconference that linked four sites around the world to the General Assembly. This event greatly increased awareness of violence against women and spurred participants (policy-makers, women's organizations, civil society and the media) into action.

142. UNIFEM continued to support the Secretary-General's reform agenda. As Chair of the UNDG sub-group on gender, the Fund provided inputs to the drafting of the CCA and UNDAF guidelines, which now provide indications to United Nations country teams on how to address and reflect gender issues in these system-wide planning documents. The definition of a few significant indicators to track progress and challenges to gender equality in the CCA was a particularly important UNIFEM contribution to the work of the UNDG.

143. Partnerships already established in previous years, including those with UNFPA and the United Nations Joint Programme on HIV/AIDS (UNAIDS), were further strengthened in 1999, as was the partnership with the Division for the Advancement of Women (DAW), with whom UNIFEM jointly manages the "Women Watch" web site (http://www.un.org/womenwatch). The partnership with UNDP was considerably strengthened: UNIFEM participated in the UNDP transition process and discussed areas of common work and respective roles with the Gender-in-Development Programme. This common position was crystalized in a joint position paper articulating the existing and potential opportunities for UNIFEM-UNDP synergy to promote gender equality.

144. UNIFEM resources increased in 1999 by 17 per cent over 1998 figures to an estimated total of $ 24.3 million. This increase resulted in part from the establishment of new relationships with private sector partners and continued strong support from constituencies.

IV. Resources

Overall income

145. The aggregate contributions mobilized in 1999 reached approximately $2.4 billion compared to $2.5 billion received in 1998 and $2.2 billion in 1997. The regular resources contribution now represents 28 per cent of the aggregate total compared with 35 per cent in 1997 and 46 per cent in 1995. It is important to note that all 1999 income and expenditure data are provisional at this stage and subject to modification on confirmation of actual income and expenditure figures for the year.

Figure 2. Contributions - 1999

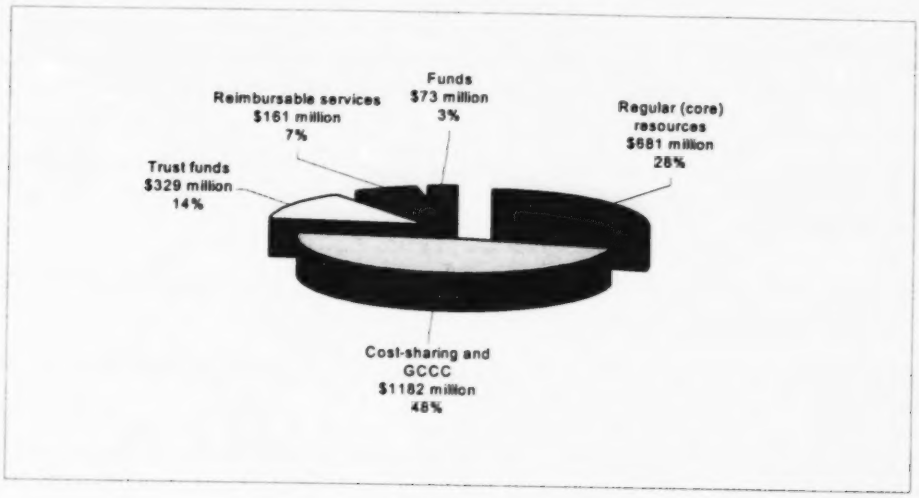
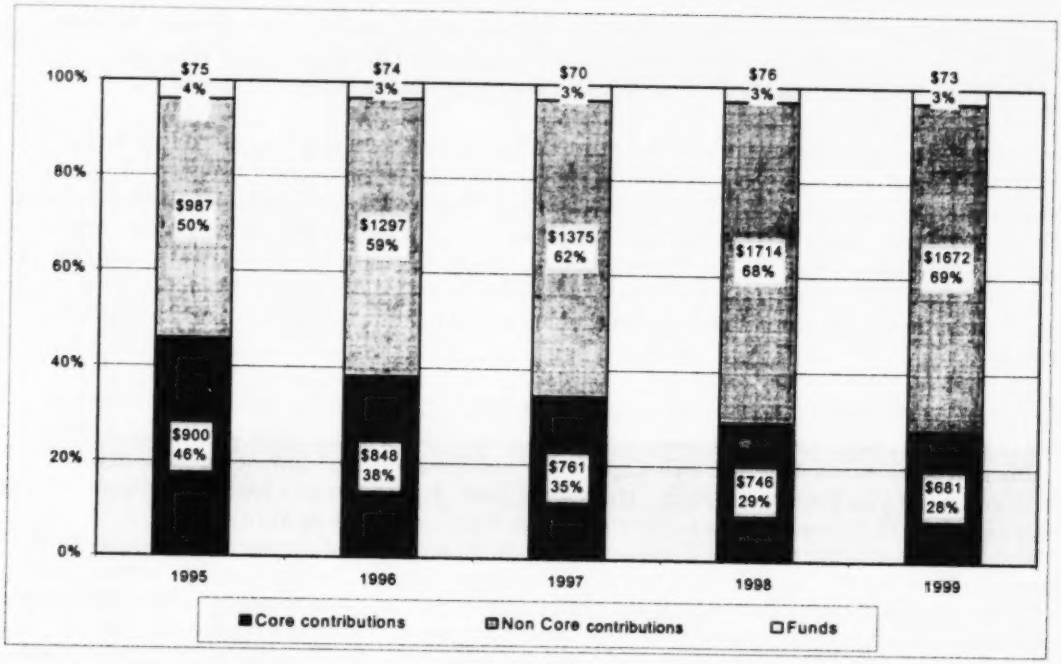


Figure 3. Contributions: five-year trend
(millions of dollars and percentages)



Regular resources

146. Throughout 1998 and 1999, the Executive Board was engaged in intensive dialogue on the issue of restoring growth and enhanced predictability to the regular funding base of UNDP, and specifically in developing and negotiating a sustainable funding strategy for the organization. Landmark decisions 98/23 on the UNDP regular resources funding strategy and 99/1 and 99/23 on the multi-year funding framework embody the results of these efforts.

147. The first of those decisions put in place a new funding system designed to generate a more dynamic dialogue on regular funding and to facilitate greater volume and enhanced predictability through multi-year pledges. Through this decision, the Executive Board:

- Adopted an annual funding target for UNDP regular resources of $1.1 billion and stressed the urgent need to achieve annual increases until the target is met;
- Reaffirmed the need to reverse the downward trend in regular resources and to establish a mechanism to place UNDP regular funding on a predictable basis;
- Recognized that overdependence on a limited number of donors carries risks for the long-term financial sustainability of UNDP and therefore urged all countries in a position to do so to increase their regular contributions.

148. Finally, the Executive Board also highlighted the linkage between resource mobilization and communication and advocacy and the institutional profile of UNDP.

149. UNDP presented its MYFF to the Executive Board at the third regular session 1999, at which the Board adopted decision 99/23. The integrated resource framework within the MYFF assumes that voluntary contributions to regular resources will increase to $800 million in 2000 and to $900 million in 2001.

150. The first annual funding meeting was held in April 1999. Countries were asked to give a firm funding commitment for the current year, and firm or indicative contributions for the subsequent two years where possible. According to provisional data for 1999, total net regular resource income in the year was $682 million, some 8.5 per cent below the figure for 1998. Reasons for the shortfall include the unexpected reduction in the contribution level of two major OECD/DAC donors to UNDP, delayed or partial payment of 1999 contributions on the part of four OECD/DAC donors, and the continued strength of the US dollar, which appreciated throughout 1999 against the major European currencies, which constitute over two thirds of the income base for UNDP regular resources.

151. The overall income figures for 1999 outlined above do not do justice to the positive signs of increased commitments to UNDP regular resources in national currencies made as a result of the decision and funding strategies. A total of 27 countries increased their contribution in 1999 in national currencies, including 11 OECD/DAC donors and 16 programme countries. One OECD/DAC donor made an additional payment to regular resources over and above the pledged amount announced at the funding meeting in April 1999.

152. The Executive Board and the secretariat have long recognized that overdependence on a limited number of donors carries risks for the long-term financial sustainability of UNDP. In its decision 98/23, as noted above, the Board urged all donors and programme countries in a position to do so to increase their contributions to regular resources. The Administrator undertook a concerted campaign in donor capitals and made extensive efforts during his first nine months in office, in the lead period to the second annual funding meeting in April 2000, to extend UNDP outreach to and visibility among the key political decision-makers.

153. The resultant increased political commitment to an enhanced regular resource base for UNDP was reflected during the April 2000 meeting, when 18 countries pledged higher level contributions for 2000, including nine OECD/DAC donors and 10 programme countries. For 2000, a total of 12 countries increased their commitments by 20 per cent or more in the currency in which they pledge, and a number of donors established the precedent of using the multi-year pledge previously announced as a floor from which to make increased commitments to regular resources. As of writing, 26 countries have pledged to retain their 1999 contribution levels, and a further 9 programme countries have indicated their decision to resume payments to the regular resources of UNDP in 2000.

154. Nonetheless, owing again to anticipated reduction by just three major OECD/DAC donors, UNDP is projecting income in 2000 to remain at $682 million unless a major renewed effort is made by donors. At the second regular session 2000 of the Executive Board, the Administrator alerted the Board to the financial crisis UNDP was facing and undertook to pursue consultations with Member States to explore ways of regenerating the necessary political support for the organization.

155. It is important to note that programme countries play their role in reducing over-dependence in several important ways. In addition to providing substantial amounts of cost-sharing resources to UNDP programmes in their respective countries, programme country governments also provide UNDP with: (a) contributions to UNDP regular resources; (b) government cash contributions towards local office costs; and (c) government in-kind contributions e.g., the provision of rent-free office premises.

Table 3
Donor contributions to UNDP regular resources

(millions of US dollars and local currency)

	In US $million										
OECD/DAC DONORS	1997	1998	1999	2000	Per cent change in local currency			Local currency (in millions)			
					1998	1999	2000	1997	1998	1999	2000
Japan	99.27	79.90	88.83	100.00	-19.5%	0.1%	25.0%	99.27	79.9	80.0	100.0
USA	72.35	90.38	89.66	80.00	24.9%	-1.7%	-9.9%	72.35	90.4	88.83	80.0
Netherlands	87.48	82.34	75.16	67.44	-2.9%	-6.1%	0.0%	170.0	165.0	155.0	155.0
Norway	75.82	74.59	70.76	66.67	6.9%	-1.8%	1.8%	524.0	560.0	550.0	560.0
Sweden	61.16	59.97	60.12	57.94	2.2%	4.3%	2.0%	460.0	470.0	490.0	500.0
UK	38.85	50.00	56.63	55.56	25.0%	16.7%	0.0%	24.0	30.0	35.0	35.0
Denmark	76.33	84.55	57.62	54.05	8.2%	-23.6%	0.0%	508.55	550.0	420.0	420.0
Switzerland	38.62	41.79	33.77	31.33	0.0%	-7.1%	0.0%	56.0	56.0	52.0	52.0
Canada	29.78	29.29	27.35	28.29	0.1%	0.0%	0.0%	41.25	41.3	41.3	41.3
Belgium	18.59	12.25	0.00	22.63	-31.2%	-100.0%		660.00	454.2		928.4
Germany	69.38	56.83	46.50	20.83	-16.7%	-15.0%	-50.0%	120.00	100.0	85.0	42.5
France	13.61	5.15	16.40	14.62	-60.5%	216.5%	0.0%	80.00	31.6	100.0	100.0
Italy	19.55	10.73	11.89	12.87	-40.6%	15.8%	18.2%	32,000.0	19,000.0	22,000.0	26,000.0
Finland	11.89	11.45	11.45	10.97	1.6%	4.8%	4.6%	61.00	62.0	65.0	68.0
Austria	11.45	10.05	7.96	8.09	-8.0%	-19.5%	14.6%	136.90	125.9	101.3	116.1
Spain	5.80	5.29	5.31	5.77	-11.9%	13.5%	19.0%	841.0	741.0	841.00	1,001.00
Australia		8.26	4.43	4.16	-	-48.4%	0.0%	-	13.2	6.8	6.8
Ireland	2.96	3.08	3.45	4.14	18.9%	14.5%	34.9%	1.85	2.2	2.52	3.40
New Zealand	3.03	2.57	2.42	2.28	0.0%	0.0%	4.5%	4.4	4.4	4.4	4.6
Portugal	1.20	1.40	1.20	2.00	16.7%	-14.3%	66.7%	1.2	1.4	0	2.00
Luxembourg	0.43	0.53	0.64	0.71	33.3%	20.0%	25.0%	15.0	20.0	24.0	30.0
Total DAC	**737.56**	**720.39**	**662.72**	**650.33**							
Total others	**23.41**	**25.36**	**19.42**	**29.73**							
GRAND TOTAL	**760.97**	**745.75**	**681.32**	**680.06**							

Table 4
Net income received from top 10 programme countries in 1999 for regular resources

(US dollars)

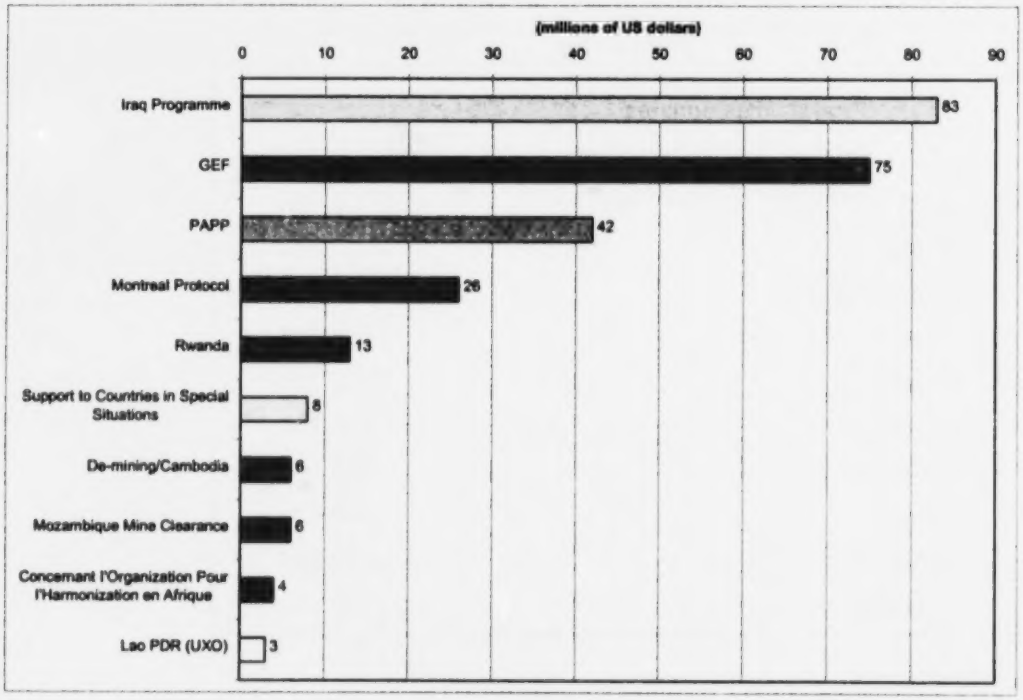
Programme countries	1999
India	4,300,768
China	3,000,000
Saudi Arabia	1,940,700
Republic of Korea	1,467,794
Cuba	1,352,754
Kuwait	1,126,100
Indonesia	796,700
Turkey	770,000
Jordan	420,961
Pakistan	405,146

Other resources

156. The character and distribution of programme country cost-sharing remains largely unchanged. With respect to cost sharing, $970 million relates to programme country cost-sharing, representing a 16 per cent decrease from the previous year while $244.65 million relates to third-party cost sharing. Government cost-sharing activities remain heavily concentrated in Latin America.

157. The contributions mobilized through the trust funds modality in 1999 was $329 million, compared to $263 million in 1998 and $244 million in 1997. This major increase of almost 25 per cent came mainly from the contributions received for the following trust funds: Iraq Programme for Humanitarian Assistance (+$64 million); Programme of Assistance to the Palestinian People (+$15 million); and Global Environmental Facility (+$10 million).

Figure 4. Top ten recipients of trust fund income - 1999



158. Countries in special development situations and environmental trust funds remain the major domains attracting trust fund contributions, a total of 82 per cent of total trust fund contributions in 1999.

Expenditure

159. Total programme expenditures for 1999 were in the order of $2 billion, approximately the same level as 1998. Of this total, an estimated 55 per cent concerned cost-sharing expenditures, 17 per cent concerned trust fund expenditures and 28 per cent concerned expenditures from regular resources. The latter amount represents a decrease of approximately 17 per cent compared to 1998. This further reduction in programme delivery from regular resources was necessitated by the still continuing decline in contributions to the regular resources in US dollar terms.

160. Especially as the balance of programmable resources that was still available in 1999 will be fully depleted this year, UNDP will have to plan for a further decrease in target for resource assignment from the core (TRAC) funds and other programme expenditures should the contributions to the regular resources in US dollars for the year 2000 remain at the 1999 level.

161. However, if contributions to the core increase from the year 2000 onwards in accordance with the levels foreseen in the MYFF, it will be possible to plan for a steady increase in regular programme expenditures of about 10 per cent in 2000, 12 per cent in 2001 and 13 per cent in 2002, to reach a level of about $700 million at the end of the current financial planning period. Such a significant turnaround in regular programme delivery would be possible since biennial budget expenditures from regular resources will be kept at their 1999 level so that all

increases in contributions can be channeled to the programme, in line with the Administrator's earlier communications to the Executive Board.

162. Additional regular programme resources would also allow UNDP to give further special impetus to its activities in the areas of poverty reduction and good governance. At present, most countries have fully committed their available TRAC programme resources for the 1999-2002 period. Hence, an early start of the many planned new initiatives in these areas of concentration (see ROAR findings presented in document DP/2000/23/Add.1) is fully dependent on increased contributions to regular resources during the current year and/or years immediately ahead. Such increased contributions should normally translate into a commensurate increase in non-core financed activities in the concerned areas. UNDP regular programme resources are increasingly used as seed money for joint initiatives and can thus be expected to leverage sizeable additional inputs from the many development partners of UNDP.

163. The programme expenditure from regular resources has been mainly executed through national execution. The trend of using this execution modality has continued and at the end of 1999 accounted for 53 per cent ($260 million) of total regular programme expenditure. Programme expenditure under direct execution ($9 million) and NGO execution ($2 million) remained stable in the past two years.

164. In line with the decrease in cost-sharing contributions, the cost-sharing expenditure decreased from $1.2 billion in 1998 to $1.1 billion in 1999. The overall trust funds expenditure totaled $363 million in 1999 compared to $321 million in 1998.

Figure 5. Regular programme expenditure by execution modality

National execution is still the preferred execution modality.

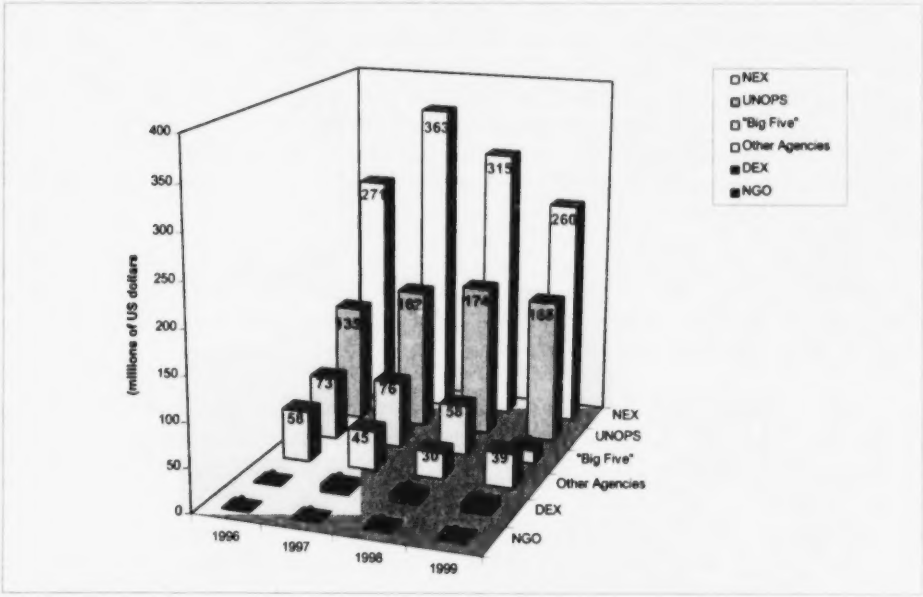
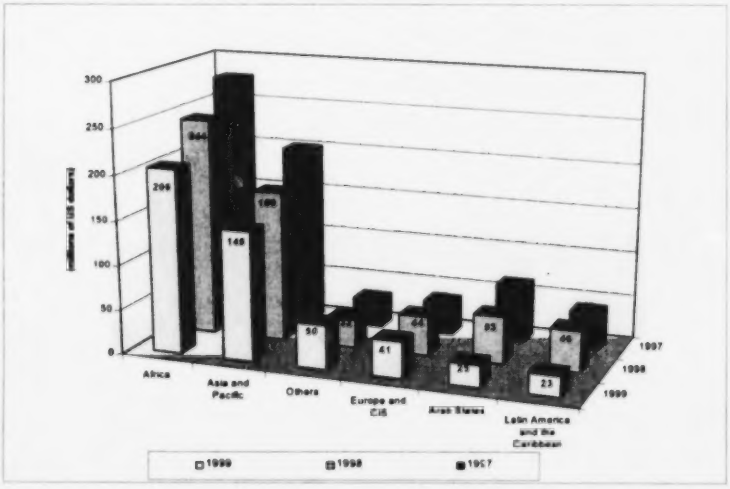


Figure 6. Regular programme expenditure by region



Africa, Asia and the Pacific, which are the largest regions in terms of core activities, are severely impacted by the decrease in core resources.